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Rules and Regulations

Title 5—ADMINISTRATIVE PERSONNEL

Chapter I—Civil Service Commission

PART 6—EXCEPTIONS FROM THE COMPETITIVE SERVICE

Department of State

Effective upon publication in the FEDERAL REGISTER, paragraph (b) (2) of § 6.302 is revoked and paragraph (b) (8) is amended as set out below.

§ 6.302 Department of State.

• • • • •
(b) Bureau of Security and Consular Affairs

• • • • •
(8) Two Special Assistants to the Administrator.

(R.S. 1753, sec. 2, 22 Stat. 403, as amended; 5 U.S.C. 631, 633).

UNITED STATES CIVIL SERVICE COMMISSION,

[SEAL] MARY V. WENZEL,
Executive Assistant to
the Commissioners.

[F.R. Doc. 60-7492; Filed, Aug. 10, 1960;
8:49 a.m.]

Title 7—AGRICULTURE

Subtitle A—Office of the Secretary of Agriculture

[Amtd. 6]

PART 7—AGRICULTURAL STABILIZATION AND CONSERVATION COMMITTEES

Subpart—Selection and Functions of Agricultural Stabilization and Conservation County and Community Committees

ELIGIBILITY REQUIREMENTS, DUTIES, AND SCOPE

By virtue of the authority vested in the Secretary of Agriculture by the Soil Conservation and Domestic Allotment Act of 1936, as amended, the regulations in this subpart published in the FEDERAL REGISTER of November 2, 1956 (21 F.R. 8358), May 8, 1957 (22 F.R. 3222), November 1, 1957 (22 F.R. 8802), November 13, 1958 (23 F.R. 8775), December 10, 1958 (23 F.R. 9534), and December 29, 1959 (24 F.R. 10727) are amended as follows:

§ 7.15 [Amendment]

1. In § 7.15, paragraph (j) is deleted and paragraphs (k) and (l) are changed by redesignating such paragraphs as (j) and (k), respectively. This change is effective August 15, 1960.

(Sec. 4, 49 Stat. 164, as amended; 16 U.S.C. 590d, 590h)

§ 7.20 [Amendment]

2. In § 7.20, the words "except in the State of Hawaii" are added in the first sentence between the words "and" and "the" thus making the sentence read as follows: "The county committee, subject to the general direction and supervision of the State committee, and acting through community committeemen and other personnel, shall be generally responsible for carrying out in the county the agricultural conservation program, the price support programs as assigned, the acreage allotment and marketing quota programs, the wool incentive payment program, the acreage and conservation reserve programs under the Soil Bank Act, and except in the State of Hawaii the sugar program, formulated pursuant to the acts of Congress specified in § 7.3 and any other program assigned to it by the Secretary of Agriculture or the Congress."

(Sec. 4, 49 Stat. 164, as amended; 16 U.S.C. 590d, 590h)

3. Section 7.41 is amended to read as follows:

§ 7.41 Applicability.

The regulations in this subpart shall apply to the States of the Union.

(Sec. 4, 49 Stat. 164, as amended; 16 U.S.C. 590d, 590h; sec. 8(a), P.L. 86-624; 74 Stat. 412)

Done at Washington, D.C. this 5th day of August 1960.

TRUE D. MORSE,
Acting Secretary.

[F.R. Doc. 60-7484; Filed, Aug. 10, 1960;
8:48 a.m.]

Title 10—ATOMIC ENERGY

Chapter I—Atomic Energy Commission

PART 80—GENERAL RULES OF PROCEDURE ON APPLICATIONS FOR THE DETERMINATION OF REASONABLE ROYALTY FEE, JUST COMPENSATION OR GRANT OF AN AWARD FOR PATENTS, INVENTIONS OR DISCOVERIES

Miscellaneous Amendments

In order to permit the Patent Compensation Board to conduct its proceedings by panel pursuant to section 157a. of the Atomic Energy Act of 1954, as amended, two changes to the rules with respect thereto, 10 CFR Part 80, are promulgated by this notice. New § 80.8 is added to permit the Commission to designate a chairman of the Board and to provide for the designation by such chairman of panels to hear cases, con-

sisting of three members of the Board. The definition of "Board" contained in § 80.2(b) of the regulations has been revised to include a panel of three members of the Board.

Because these amendments deal with matters relating to agency organization and procedure and effectiveness thereof will not adversely affect any person, the Commission has found that good cause exists why such amendments should be made effective 30 days after publication in the FEDERAL REGISTER. However, all interested persons who desire to submit written comments and suggestions with respect to these rules should send them to the United States Atomic Energy Commission, Washington 25, D.C., Attention: General Counsel.

Pursuant to the Administrative Procedure Act, Public Law 404, 79th Cong., 2d Sess., Title 10, Code of Federal Regulations, Part 80, is amended as follows, effective 30 days after publication in the FEDERAL REGISTER:

1. Section 80.2(b) is amended to read as follows:

§ 80.2 Definitions.

• • • • •
(b) "Board" means the Patent Compensation Board designated by the Commission pursuant to section 157a. of the Atomic Energy Act of 1954, as amended, or any three or more members thereof sitting as a panel pursuant to § 80.8.

2. Section 80.8 is added to read as follows:

§ 80.8 Chairman; designation of panels; quorum.

(a) The Chairman shall be designated by the Commission. The Chairman may, from time to time, with the concurrence of a majority of the members of the Board, divide the Board into two or more panels, each consisting of not less than three members. A majority of the number of members authorized to constitute the Board or a panel thereof shall constitute a quorum of the Board or panel, as the case may be.

(b) Panels shall sit at the times and places and hear the cases assigned as the Board directs and may make any order or render any decision which the Board would have been empowered to make or render if the matter had not been assigned to the panel. Every such order made or decision rendered by a panel shall be made as the order, or rendered as the decision, of the Board.

(Sec. 161, 68 Stat. 948, 42 U.S.C. 2201)

Dated at Germantown, Md., this 3d day of August 1960.

For the Atomic Energy Commission.

R. E. HOLLINGSWORTH,
Acting General Manager.

[F.R. Doc. 60-7453; Filed, Aug. 10, 1960;
8:45 a.m.]

Title 12—BANKS AND BANKING

Chapter II—Federal Reserve System

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

[Reg. Q]

PART 217—PAYMENT OF INTEREST ON DEPOSITS

Absorption of Exchange Charges

§ 217.117 Absorption of exchange charges.

(a) The Board has had occasion to consider whether certain practices involving the absorption of exchange charges constitute the payment by a Federal Reserve member bank of interest on demand deposits in violation of this Part 217 and section 19 of the Federal Reserve Act.

(b) One question was whether such absorption would constitute the payment of interest on demand deposits when the amounts absorbed by a member bank are claimed to be less than the cost of collecting them from depositors. Another question was whether a member bank would be paying interest on demand deposits if it maintained balances with another bank or banks in return for which such other bank or banks directly or indirectly would absorb for it exchange charges made by the drawee banks.

(c) Upon a careful review of the subject, the Board has concluded that both these practices should be deemed to be the payment of interest on demand deposits in violation of Part 217 and section 19 of the Federal Reserve Act. In other words, the payment of interest includes any direct or indirect payment or absorption of exchange charges by any device whatsoever, regardless of whether such payment or absorption is made directly by a member bank or indirectly through any other bank for a member bank or a depositor of such member bank. This principle will be applied hereafter by examiners for the Federal Reserve Banks in their examinations of State member banks and the Comptroller of the Currency has advised that it will be applied by national bank examiners in their examinations of national banks.

(d) In reaching this conclusion the Board has carefully reexamined earlier interpretations on the subject, and this interpretation supersedes all such earlier interpretations, including those published in the 1944 Federal Reserve Bulletin, p. 339, and 1945 Federal Reserve Bulletin, p. 564.

(Sec. 11(1), 38 Stat. 262; 12 U.S.C. 248(1). Interprets or applies secs. 19, 24, 38 Stat. 270, 273, as amended, sec. 8, 48 Stat. 168, as amended; 12 U.S.C. 264(c)(7), 371, 371a, 371b, 461)

Dated at Washington, D.C., this 4th day of August 1960.

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM,

[SEAL] KENNETH A. KENYON,
Assistant Secretary.

[F.R. Doc. 60-7474; Filed, Aug. 10, 1960;
8:47 a.m.]

Title 14—AERONAUTICS AND SPACE

Chapter III—Federal Aviation Agency

SUBCHAPTER E—AIR NAVIGATION REGULATIONS

[Airspace Docket No. 60-WA-190]

PART 601—DESIGNATION OF THE CONTINENTAL CONTROL AREA, CONTROL AREAS, CONTROL ZONES, REPORTING POINTS, AND POSITIVE CONTROL ROUTE SEGMENTS

Designation and Revocation of Reporting Points

The purpose of these amendments to §§ 601.4014, 601.4015, 601.4017, 601.4107, and 601.5001 of the regulations of the Administrator is to revoke designated reporting points that the Federal Aviation Agency has determined are no longer required for air traffic management purposes and designate a new reporting point. Flight progress reports over designated locations, automatically initiated by pilots, will facilitate air traffic management and assist the controller in the performance of his duties. However, due to the continuous modernization of the airway structure of the United States, the need for reporting points at particular locations is constantly being revised. Thus the actions taken herein reflect this changing need on the part of air traffic control.

Since these amendments are of a procedural nature and do not assign or reassign the use of navigable airspace, compliance with the notice, public procedure, and effective date requirements of the Administrative Procedure Act is unnecessary. However, since it is necessary that sufficient time be allowed to permit appropriate changes to be made on aeronautical charts, these amendments will become effective more than 30 days after publication.

In consideration of the foregoing, and pursuant to the authority delegated to me by the Administrator (24 F.R. 4530), the following actions are taken:

1. In the text of § 601.4014 (24 F.R. 10592; 25 F.R. 2011), "the intersection of the southwest course of the Kansas City, Mo., radio range and the southeast course of the Forbes AFB, Kans., radio range;" is deleted.

2. In the text of § 601.4015 (24 F.R. 10592; 25 F.R. 4160), "the intersection of the northeast course of the Millville, N.J., radio range and the southeast course of the McGuire AFB, N.J., radio range;" is deleted.

3. In the text of § 601.4017 (24 F.R. 10593), "Fairbanks, Alaska, radio range station." is deleted and "Alder, Alaska, RBN; Fairbanks, Alaska, RR." is substituted therefor.

4. In the text of § 601.4107 (24 F.R. 10593; 25 F.R. 1240, 1988), "the intersection of the northeast course of the Hartford, Conn., radio range and the southeast course of the Chicopee Falls, Mass., radio range;" is deleted.

5. In the text of § 601.5001 (24 F.R. 10597), "Whidbey Island, Wash., Navy RR." is deleted.

These amendments shall become effective 0001 e.s.t. October 20, 1960.

(Secs. 307(a) and 313(a), 72 Stat. 749, 752; 49 U.S.C. 1348, 1354)

Issued in Washington, D.C., on August 5, 1960.

D. D. THOMAS,
Director, Bureau of
Air Traffic Management.

[F.R. Doc. 60-7465; Filed, Aug. 10, 1960;
8:45 a.m.]

Title 25—INDIANS

Chapter I—Bureau of Indian Affairs, Department of the Interior

SUBCHAPTER V—TERMINATION OF FEDERAL INDIAN RELATIONSHIPS

PART 243—UTE TRIBE, UTAH; DISPOSITION OF INTERESTS IN TRIBAL ASSETS BY MIXED-BLOOD INDIANS

On pages 9785 through 9787 of the FEDERAL REGISTER of December 5, 1959, there was published a notice of intention to add a new part to Subchapter V, Title 25—Indians, Code of Federal Regulations, the purpose of which is to provide policies and procedures governing the disposition of interests in tribal assets by mixed-blood members of the Ute Indian Tribe of Utah acquired pursuant to the Act of August 27, 1954 (68 Stat. 868).

Interested persons were given an opportunity to submit their comments, suggestions, or objections in writing on the proposed amendment within 20 days of the date of publication of the notice in the FEDERAL REGISTER. During the 20-day period comments were received. These were thoroughly considered, but it has been determined that no change should be made.

The amendment to the regulations is hereby adopted and is set forth below. The amendment is effective 30 days from the date of publication in the FEDERAL REGISTER.

FRED G. AANDAHL,
Acting Secretary of the Interior.

AUGUST 5, 1960.

Sec.

- 243.1 Purpose of this part.
- 243.2 Definitions.
- 243.3 Disposal of interests prior to termination of Federal supervision.
- 243.4 Disposal of interests subsequent to termination of Federal supervision.
- 243.5 Offer.
- 243.6 Notice of offer.
- 243.7 Acceptance of offer.
- 243.8 Certificate of non-acceptance.
- 243.9 Re-offer.
- 243.10 Subsequent sale.
- 243.11 Sales by corporation.
- 243.12 Sales of stock in the corporations.

AUTHORITY: §§ 243.1 to 243.12 issued under sec. 27 of the Act of August 27, 1954 (68 Stat. 868; 25 U.S.C. 677aa).

§ 243.1 Purpose of this part.

The purpose of this part is to provide policies and procedures governing the disposition of corporate shares and certain real estate of the mixed-blood members of the Ute Indian Tribe of Utah acquired pursuant to the Act of August 27, 1954 (68 Stat. 868).

§ 243.2 Definitions.

As used in this part:

(a) "Full-blood member" means each person whose name appears on the final roll of full-blood members as published in the FEDERAL REGISTER on April 5, 1956 (21 F.R. 66), and such other persons as may be admitted to membership in the tribe after August 27, 1954, in the manner provided in the constitution and by-laws of the tribe.

(b) "Mixed-blood member" means each person whose name appears on the final roll of mixed-blood members as published in the FEDERAL REGISTER on April 5, 1956 (21 F.R. 66).

(c) "Member of the tribe" means all mixed-blood and full-blood members as defined in paragraphs (a) and (b) of this section.

(d) "The corporations" means: (1) Ute Distribution Corporation, a Utah Corporation; (2) Antelope-Sheep Range Company, a Utah Corporation; (3) Rock Creek Cattle Range Company, a Utah Corporation.

(e) "The Act" means the Act of August 27, 1954 (68 Stat. 868-878; 25 U.S.C. 677-677aa).

(f) "Tribe" means the Ute Indian Tribe of the Uintah and Ouray Reservation, Utah.

(g) "Real Property" means any interest in land set apart to the mixed-blood group and thereafter acquired by mixed-blood members under the terms of the Act, and does not include lands described in section 9 of the Act (25 U.S.C. 677h).

(h) "Termination of Federal supervision" means termination of Federal supervision over the particular real estate involved by the issuance of a patent in fee or other similar title document, and does not mean termination of the wardship relationship between the Indian and the United States on the occasion of the issuance of a so-called "Termination Proclamation" (25 U.S.C. 677v).

§ 243.3 Disposal of interests prior to termination of Federal supervision.

Any mixed-blood member may dispose of his interest in any real property, as herein defined, after having first offered to the members of the tribe an opportunity to meet his sales price or to meet the highest acceptable bona fide offer received by him. The offer shall be made in accordance with the procedures set forth in §§ 243.5 through 243.10 of this Part 243, and, as far as practicable, with the methods of sales set forth in Part 121 of this chapter. Any contract for the sale of such property to be valid must be approved by the Secretary of the Interior or his authorized representative. The requirement of Secretarial approval shall no longer be applicable after termination of Federal supervision, as herein defined.

§ 243.4 Disposal of interests subsequent to termination of Federal supervision.

Subsequent to the termination of Federal supervision over the property of a mixed-blood member, as herein defined, and before August 27, 1964, any mixed-blood member may dispose of his interest in any real property, as herein defined, after having provided members of the tribe with an opportunity to meet his sales price or meet the highest bona fide offer received by him, which opportunity shall be referred to as a "right of first refusal" in members of the tribe. This shall be a covenant running with the land as to all mixed-blood members and shall be set forth in each deed or other instrument of conveyance in the following language:

Prior to August 27, 1964, the grantee hereunder shall not dispose of any interest in the property herein conveyed without first offering it to the members of the full-blood and mixed-blood groups of the Ute Indian Tribe of the Uintah and Ouray Reservation in accordance with regulations now or hereafter prescribed by the Secretary of the Interior pursuant to the Act of August 27, 1954 (68 Stat. 868). This provision shall also apply to any successor in interest of such grantee who is also a member of the mixed-blood group as defined in the act, it being the intention of this provision to effectuate the purpose of section 15 thereof.

§ 243.5 Offer.

Any mixed-blood member of the tribe desiring to dispose of his interest in real property, as herein defined, prior to termination of Federal supervision over such property, must notify the Superintendent of his desire to dispose thereof, and shall state the price and terms upon which the land is offered for sale or which constitute a bona fide offer to purchase.

§ 243.6 Notice of offer.

The Superintendent shall notify in writing the corporations and the tribal business committee of the tribe of any offer of sale, and shall post notices of the offer of sale in a conspicuous place in the Uintah and Ouray Agency Office at Fort Duchesne and in the Post Offices of the towns of Roosevelt, Whiterocks, Randelett, Myton, and Fort Duchesne, Utah, for a period of at least ten days. The notices shall specifically describe the terms upon which such sale is to be made and the final date for acceptance of offer from members of the tribe by submission of an appropriate bid.

§ 243.7 Acceptance of offer.

Upon receipt of an acceptance of the offering from any member of the tribe to purchase such land, the Superintendent shall immediately notify the mixed-blood member making the offer to sell such land and the sale may be completed in accordance with the offer and acceptance. In the event two or more members of the tribe submit an acceptance of the seller's offer, the Superintendent shall call for sealed bids from the parties submitting such acceptances and the sale shall be made to the highest bidder provided the highest bid equals or exceeds the seller's offering price.

§ 243.8 Certificate of non-acceptance.

If no acceptance is made by a member of the tribe to purchase such land, the Superintendent shall notify the mixed-blood member making such offer that no member of the tribe has accepted the offer to sell and the mixed-blood member may then sell such land at any time within six months thereafter to any person at the same or greater price and upon the same terms and conditions upon which it was offered to the members. The Superintendent shall furnish to such purchaser a certificate, properly acknowledged for recording, certifying that a proper offer at a price and on terms specified in the certificate was made to members of the tribe in accordance with law and the regulations of the Secretary.

§ 243.9 Re-offer.

If no sale is made, within a six months' period after the seller has been so notified by the Superintendent, then a new offer must be made to the members of the tribe in the manner set forth in § 243.5.

§ 243.10 Subsequent sale.

If, for any reason, a sale should not be consummated after an acceptance by a member of the tribe, as provided in § 243.7, a new offer to sell shall be made to the members of the tribe in the manner set forth in § 243.5.

§ 243.11 Sales by corporation.

In the event any of the corporations determine to dispose of any of the land acquired under the provisions of the Act, at any time prior to August 27, 1964, such corporation shall first offer the land to the members of the tribe in accordance with procedures set forth in §§ 243.5 through 243.10.

§ 243.12 Sale of stock in the corporations.

In the event any stockholder of the corporation determines to sell or dispose of any stock owned by him in any of the corporations prior to August 27, 1964, he shall first offer it to the members of the tribe in accordance with the provisions set forth in the Articles of Incorporation and in the certificate of stock of such corporation and in the manner provided in §§ 243.5 through 243.10, as far as practicable.

[F.R. Doc. 60-7477; Filed, Aug. 10, 1960; 8:47 a.m.]

Title 15—COMMERCE AND FOREIGN TRADE

Chapter III—Bureau of Foreign Commerce, Department of Commerce

SUBCHAPTER B—EXPORT REGULATIONS

[9th General Rev. of Export Regs.; Amdt. 40]

PART 382—DENIAL OF EXPORT PRIVILEGES

Orders Currently in Effect

Section 382.51 *Supplement 1; Table of denial and probation orders currently in effect*, paragraph (b) *Table of denial and probation orders* is amended by adding the following entries:

Name and address	Effective date	Expiration dates	Export privileges affected	FEDERAL REGISTER citation
Chow, P. S., Alexandra House, 18 Chater Rd., Hong Kong.	6-29-60	6-29-61 (on probation from 6-30-61 to 6-29-62). ¹	General and validated licenses, all commodities, any destination, also exports to Canada.	25 F.R. 6370, 7-7-60.
Commercial Appliance Co., 12 Wellington St., Hong Kong.	6-29-60	Duration-----	do-----	Do.
D'Acunto, Frank P., 276 5th Ave., New York, N.Y.	6-30-60	(On probation from 6-30-60 to 12-30-60). ¹	do-----	25 F.R. 6341, 7-6-60.
Greenbaum, Irving, 276 5th Ave., New York, N.Y.	6-30-60	do-----	do-----	Do.
Marano & Co., Inc., A. V., 276 5th Ave., New York, N.Y.	6-30-60	do-----	do-----	Do.
Office Appliance Co. (1955) Ltd., Alexandra House, 18 Chater Rd., Hong Kong.	6-29-60	12-29-60 (on probation from 12-30-60 to 6-29-62). ¹	do-----	25 F.R. 6370, 7-7-60.
Sung, W. W., 12 Wellington St., Hong Kong.	6-29-60	Duration-----	do-----	Do.

¹ Although the named person or firm is entitled to all export privileges during this probation period, these privileges may be revoked upon a finding that the probation has been violated.

(Sec. 3, 63 Stat. 7; 50 U.S.C. App. 2023. E.O. 9630, 10 F.R. 12245, 3 CFR, 1945 Supp., E.O. 9919, 13 F.R. 59, 3 CFR, 1948 Supp.)

LORING K. MACY,
Director, Bureau of Foreign Commerce.

[F.R. Doc. 60-7488; Filed, Aug. 10, 1960; 8:48 a.m.]

Title 32—NATIONAL DEFENSE

Chapter VII—Department of the Air Force

SUBCHAPTER J—AIR FORCE PROCUREMENT INSTRUCTIONS

MISCELLANEOUS AMENDMENTS TO SUBCHAPTER

The following miscellaneous amendments are issued to this subchapter:

PART 1030—APPENDIXES TO THE AIR FORCE PROCUREMENT INSTRUCTIONS

§ 1030.2 Appendix B—Manual for control of Government property in possession of contractors.

Part I—Introduction

1. B-102 is revised to read as follows:

B-102 *Applicability of manual.* See § 30.2, Appendix B of this title.

2. In B-102.50, paragraph (c) is revised and paragraphs (d) to (h) are added, as follows:

B-102.50 *Exceptions.* . . .

(c) Government property furnished under base procurement contracts for repair and return to the shipping organization which are administered by the base procurement activity awarding the contract.

(1) Property shipped for repair and return will be controlled as a suspense item within the military property account from which shipped.

(2) In event parts or materials are furnished, they will be expended from the military account at time of shipment. Copies of shipping documents, indicating accountability terminated, will be furnished to the ACO by the shipping activity.

(3) The ACO will establish such controls as he deems expedient, considering the value of the parts and materials furnished, to insure the proper consumption of articles so furnished and the return of residual quantities of Government-furnished parts and materials and any consequential scrap to the shipping organization.

(d) Government property furnished in connection with the procurement of routine

renovating and reconditioning services, such as laundry, dry cleaning, and shoe repair will be controlled as a suspense item within the military property account from which shipped, regardless of organizational level at which the procurement was awarded and will be administered.

(e) Government property, the repair of which may be accomplished through petty cash procedures, within the limitations established for petty cash procurement will be controlled as a suspense item within the military account from which shipped.

(f) Government-furnished cylinders which are delivered to a contractor for refilling and return to the shipping organization will be controlled as a suspense item within the military property account from which shipped. When refilling contracts provide for Government-furnished valves and valve parts for the repair of cylinders, they will be expended from the military property account at time of shipment. Copies of shipping documents, indicating accountability for such valves and valve parts terminated, will be forwarded by the shipping activity to the contracting officer administering the contract. The ACO will establish such controls as he deems expedient, considering the value of the expended items, to insure the proper consumption of the valves and valve parts furnished and the return of residual quantities thereof and any consequential scrap to the shipping organization.

(1) Exception to the above policy will be made when the refilling contractor has been authorized to retain a bank, or stock, of Government-owned cylinders, in lieu of refilling and returning the identical cylinders delivered by the shipping organization. In such instances, an industrial property account will be established and the Government-owned cylinders delivered to the contractor, as well as Government-furnished valves and valve parts, will be transferred to and controlled thereunder according to the provisions of the Manual.

(g) Government property furnished to contractors under base procurement contracts for construction, repair, rehabilitation, alteration, and maintenance of structures, ground facilities, or utilities at an AF activity, will be controlled and accounted for as provided in AFR 85-5.

(h) AF property furnished to other Governmental agencies for use in connection with procurements under the Economy Act of 1932, as amended (51 U.S.C. 686) will be transferred to and controlled by the using

agency according to their established procedures.

3. B-102.51 is added as follows:

B-102.51 *Deviations.* While the procedures set forth in the Manual and contained in this Appendix B are considered the minimum necessary for effective surveillance over industrial property control systems established and maintained by AF contractors, it is recognized that exigencies of certain situations or circumstances may require property control procedures other than prescribed. When it is considered impractical to apply the provisions of the Manual and this Appendix B, the property administrator may submit a request for authority to deviate, supported by proper justification, to AMC (MCPK).

4. B-103.52 to B-103.54 are revised, and B-103.55 to B-103.57 are deleted.

B-103.52 *Individual item records.* As used in the Manual and this Appendix B, are interpreted as records upon which are recorded one unit of an item per record form, as differentiated from record upon which an accumulation of items having identical nomenclature are recorded on one card or form.

B-103.53 *Property records.* As used in the Manual and this Appendix B, are interpreted to be all-inclusive of records affecting the status of Government property, and are not restricted to stock records or other forms of an inventory record.

B-103.54 *AF representative.* See § 1013.101-65 of this chapter.

Part II—General Provisions

1. In § 1030.2, B-200 to B-203 are added as follows:

B-200 *Scope of subpart.* See § 30.2, Appendix B of this title.

B-201 *Duties and responsibilities of the contract administrator with respect to the control of Government property.* Matters pertaining to control, custody, use, and consumption of Government property are specifically established as functional duties and responsibilities of the property administrator as the representative of the contract administrator. Thus the duties and responsibilities of the contract administrator in this area are primarily administrative in nature. This relationship necessitates a coordinated position on all decisions and agreements pertaining to the contractor system and methods of controlling Government property.

B-202 *Designation of property administrator.*

(a) *Designated for each Government contract involving Government property.* (1) *Representative of contracting officer.* The property administrator, as representative of the contract administrator, will be designated as set forth below. The ACO will not perform the duties of a property administrator without prior approval of the Contract Management Division (MCPK) Hq AMC.

(2) *Qualifications.* It is the responsibility of the cognizant commanders of AF procurement activities empowered through delegation as appointing authorities to have adequate and qualified individuals appointed as property administrators. In view of the responsibilities accompanying the appointment, individual qualifications should be carefully appraised.

B-203 *Duties and responsibilities of the property administrator.*

(a) The property administrator will be familiar with the functions of other AF personnel which may affect or relate to Government property in order that he may adequately perform his duties.

(b) As representative of the ACO the property administrator is authorized to take

all actions relating to property matters which could lawfully be taken by the contracting officer to the extent not specifically prohibited by the terms of the contract and the specific limitations set forth in the appointing document. Actions pursuant to this authority will be coordinated with the ACO. In event of dispute or disagreement between the property administrator and the contractor pertaining to Government property and controls imposed by the Manual, the ACO will direct the contractor to comply with the contract requirements and the provisions of the Manual.

(c) The property administrator will conduct only such examinations necessary to determine the accuracy and completeness of the records. Exhaustive verification will not be performed in connection with records which are considered commercially sound. The property administrator will ascertain the extent to which records, data, and reports of audit activities can be used in determining adequacy and accuracy of the records. Ordinarily it will not be necessary for the property administrator to duplicate any examination(s) made for the staff of the Auditor General.

(d) The property administrator will utilize and rely on the assistance of other AF personnel to ascertain whether the contractor is using Government property for the purpose authorized by the contract, and whether the contractor is exercising the necessary degree of care in the handling of Government property.

(e) The property administrator will perform only those analyses necessary to determine reasonableness of usage. Records of the contractor and of other AF personnel, including but not limited to, plant clearance (property disposal), quality control, and Auditor General personnel will be used at all times to the extent that the property administrator will not prepare or maintain any records which are obtainable from the contractor or other AF personnel. Work papers will be kept to a minimum.

(1) Research and development projects, because of the nature of the work performed thereunder, are not readily adaptable to the utilization of a bill of materials or other normal measures of allowances as in production type contracts. In determining reasonableness of usage or consumption of Government property under such projects, the property administrator will depend largely upon visual and physical observation of the controls exercised in connection with Government property, methods of handling prior to usage, and the general conditions under which used.

(f) The property administrator will initially evaluate the contractor's internal controls, and will conduct tests and examinations necessary to determine whether the contractor's records properly reflect the status of Government property in the contractor's possession and/or custody. Exhaustive verification will not be performed in connection with those records which are considered commercially sound. The property administrator will review and consider the information of the examinations by other Government personnel. If he determines that such information and examinations are adequate to comply with the requirements of the Manual and this Appendix B, he will not duplicate the examinations but will make appropriate reference thereto in his work papers.

(g) See § 30.2, Appendix B of this title.

2. B-204 is revised and B-204.50 is deleted:

B-204 *Duties and responsibilities of the contractor.* See § 30.2, Appendix B of this title.

3. B-205.1 is revised to read as follows:

B-205.1 *Military installations or other contractors' plants.*

(a) Exception to the policy cited in § 1013.102 of this chapter has been authorized by the Director of Procurement and Production, Hq USAF, when it is determined that the shipment of any item of Government property to a contractor, when not specifically provided for in a contract, is in the best interests of the Air Force. Shipments anticipated under such authority are for the purpose of inspection, test, calibration, modification, replacement, and/or repair, at no cost to the Government. Government property may be furnished under this exception only with the prior approval of the Director of Procurement and Production, Hq AMC, or his designated representative, the Chief, Industrial Property Branch (MCPKI). When it is desired, for any reason, to furnish Government property to a contractor where there is no specific contractual provision therefor, the following procedures will be followed:

(1) Each requesting activity (the AF organization having possession, control or jurisdiction of the property) is responsible for determining whether shipment of the property to the contractor will be in the best interests of the Government after consideration of all factors involved.

(2) The requesting activity will first negotiate arrangements with the contractor regarding conditions for shipment, and the control and return of the property. Such arrangements should reflect specific agreement regarding the following: (i) The quantity and description of the property to be shipped (in usual cases when specific quantities cannot be stated at the outset, an agreed upon maximum quantity limitation will be established), (ii) If quantities of property are to be sent to the manufacturer in a series of shipments an agreed upon schedule of such shipments will be established, (iii) the exact nature and extent of work to be performed, (iv) an agreed upon date for the completion of the work and return of the property to the Government, and (v) the controls to be maintained by the contractor as anticipated by the Manual.

(3) The requesting activity, prior to furnishing any property in the absence of contractual authority, will submit a written request to AMC (MCPKI), furnishing complete and detailed data as to the urgency and nature of the desired shipment together with terms and conditions of shipment as set forth in subparagraph (2) of this section.

(4) MCPKI will review each request for shipment of Government property to a contractor without contractual coverage, and after consideration of the justification, will recommend approval or disapproval to the approving authority, or will itself approve or disapprove if authorized to do so according to paragraph (a) of this section. If the request is approved, MCPKI will advise the requesting activity of the authorization and will furnish the data and notations listed below to be included in the shipping instructions and which the shipping activity will enter on the shipping documents:

(i) The Industrial property account number to which the shipment is to be made.

(ii) A statement that the property is shipped (for test, modification, etc.) at no cost to the Government under authority (exception control number).

(iii) Instructions to provide for the return shipment of the property upon completion of the work performed under the authorization, including disposition instructions for any residue which may not be in condition for return.

(iv) An indication of the agreed upon completion date of the work for which the property was furnished.

(v) A statement that the property will be controlled by the contractor according to the Manual, Appendix B, or Appendix C, as applicable.

(5) A copy of the authorization will be furnished to the property administrator having cognizance of the contractor to whom the shipment is to be made.

(6) The property administrator designated by the cognizant procurement activity will be responsible for the adequacy of controls that are exercised over the property by the contractor. In this connection, he will establish administrative record of each authorized transaction. The records related to each authorized transaction will be periodically reviewed to verify that the contractor's work is completed in reasonable approximation to the time limits agreed upon and that the property is correctly returned or otherwise properly disposed of.

(7) If question arises as to liability of the contractor for the loss, damage, or destruction of any property while in the possession of a contractor under the authorization issued according to subparagraph (4) of this paragraph, the chief, APD or AFPRO will be advised and requested to assign an ACO to evaluate the circumstances and make determination as to liability, if any, of the contractor.

(b) The power to authorize shipment of UR exhibits to contractors for evaluation and study at no cost to the Government, without benefit of contractual coverage, has been extended to the commanders of AMA's and AF depot (ConUS), with power of re-delegation to and through the director of logistics support management and the AMA quality control office. The use of the extended authority will require administrative review by the AMA or depot director of logistics support management, or chief, quality control office, as appropriate, for justification and sufficiency of all requests for release of UR exhibits to a contractor; adherence to the requirements contained herein; and inclusion of record of shipment or other disposition of the exhibits in the materiel improvement project (MIP) file.

(1) Requests to release UR exhibits for shipment will be submitted to the appropriate authority designated in paragraph (b) of this section.

(2) All releases and shipments of UR exhibits under this authority will reference the AMC, MIP number for identification and control. Shipping instructions will provide for transfer of accountability to the appropriate industrial property account.

(3) A copy of each authorization will be forwarded to the APD or AFPRO, marked for the attention of the chief, industrial property division.

(4) Distribution of shipping documents will provide for a copy to be furnished for inclusion in the MIP file maintained by the authorizing activity upon completion of the evaluation and study and return or other disposition of the exhibits one copy of the document evidencing such action will be furnished to the authorizing activity for inclusion in the MIP file.

(5) Control of the exhibit while in the possession and custody of a manufacturer will be according to § 30.2, Appendix B of this title and this Appendix B. See subparagraph (7) of this paragraph for liability in connection with loss, damage, or destruction.

(6) The AF quality control representative of the APD or AFPRO assigned quality control cognizance over the prime equipment manufacturer's facility will be responsible for the following actions upon completion of evaluation and study of the UR exhibit by the contractor:

(i) Determine condition of the exhibit i.e., reparable or irreparable.

(ii) Ascertain whether the contractor is willing to replace or repair the exhibit at no cost to the Government, and if so, authorize such action. (Note, this authority to permit the repair or replacement of UR exhibits is limited to the exhibit only and does not extend to any other property of the Government which may be affected by the product deficiency.)

(iii) Advise the assigned property administrator of the property to be returned, or otherwise disposed of, and condition of same.

(7) Upon receipt of instructions from the quality control representative, the property administrator will advise the contractor as to disposition according to the following:

(i) If the condition is irreparable warranting local disposition, the manufacturer will be advised to accomplish disposition pursuant to locally approved procedure.

(ii) If the condition of the exhibit is serviceable, it will be shipped to the appropriate commodity class depot. Exhibits in repairable condition will be shipped to the applicable repair depot according to designation and instructions contained in T.O. 00-25-11.

(8) Under no circumstances will an exhibit be released without appropriate authorization and identification to the AMC MIP number.

(9) When a manufacturer states willingness to repair, modify, or replace Government-owned items in excess of that furnished as exhibit at no cost to the Government, a written statement of the contractor's willingness will be obtained and forwarded as attachment to the report furnished to the activity establishing the MIP. Subsequent shipment of such property to the manufacturer will be subject to the following:

(i) For items other than GFAC, the activity establishing the MIP will notify the appropriate commodity class, furnishing the contractor's statement of willingness to repair, modify, rework, or replace at no cost to the Government. Upon receiving the notification, the commodity class depot will determine quantity of items to be returned to the manufacturer and secure authorization from the authority cited in subparagraph (10) of this paragraph, prior to shipment or instruction to holding activities to ship.

(ii) In the case of GFAC exhibits originating at a contractor's plant, notification will be made to AMC Aeronautical Systems Center (LMESD). Upon receipt of notification, LMESD will determine quantity of items to be returned to the manufacturer and secure authorization from the authority cited in paragraph (a) of this section, prior to instruction to the holding activity to ship.

(10) The power to authorize shipment of Government-owned property to a manufacturer for repair, modification, rework, or replacement at no cost to the Government, to the extent that such action is the result of evaluation and study of a UR exhibit, is hereby delegated to the commanders of AMA's and depots (ConUS) with power of redelegation to and through the director of procurement and production to the staff office immediately subordinate thereto having responsibility for contract administration. The authority of each approving activity is limited to the prime commodity for which the AMA or depot has jurisdiction. The authorizing office will exercise controls over all shipments authorized.

(c) Government property shipped by a contractor after inspection and acceptance at source may be rejected by the receiving activity and such rejections will be reported by AF Form 672, "Report of Discrepancy," according to Subpart U, Part 13 of this chapter. When it is determined by the ACO that the satisfactory adjustment of the reported discrepancy necessitates the return of the property to the original shipping contractor for repair, rework, modification, or replacement at no cost to the Government,

the contractor's written agreement to such a course of adjustment will be obtained. Such return shipments, being subject to the provisions of this general section, will require appropriate approval and in this connection, the authority to grant such approval is delegated to the contracting officer having administration of the contract under which the reported discrepant shipment was made.

4. B-205.2 to B-205.5 are added as follows:

B-205.2 *Direct purchase by the contractor.* See § 30.2, Appendix B of this title.

B-205.3 *Withdrawal from contractor-owned stores.* See § 30.2, Appendix B of this title.

B-205.4 *Contract provisions, terminations, contract changes.* See § 30.2, Appendix B of this title.

B-205.5 *Advance, progress, or partial payments.* See § 30.2, Appendix B of this title.

5. B-206 is revised to read as follows:

B-206 *Segregation or commingling of Government property and contractor's property.*

(a) Where a contractor is engaged in both CPFF and fixed-price Government contracts in one plant, such contractor, for the purposes of this paragraph, is not considered to be engaged solely in Government work.

(b) See § 30.2, Appendix B of this title.

(c) In connection with research and development contracts involving profit or fee, the ACO may permit commingling upon the written approval of Industrial Property Branch (MCPKI), Hq AMC. Approval will be granted on a case by case basis, where it can be demonstrated through the exercise of inventory controls, including the equitable apportionment of inventory losses, that such action is advantageous to the Government.

(d) Any other commingling may be permitted by the ACO upon the written approval of MCPKI, Hq AMC. Approval will be granted on a case by case basis, where it can be demonstrated through the exercise of inventory controls, including the equitable apportionment of inventory losses, that such action is advantageous to the Government.

Part III—Records To Be Maintained

In B-301, paragraph (a) is revised, and the last sentence of paragraph (b) is deleted. The remainder is unchanged.

B-301. General.

(a) The authority to grant exceptions to the policy that the contractor's records will be designated and used as the official contract records has been delegated as set forth in § 1013.103 of this chapter. Such exceptions, however, may be authorized, in writing, only in unusual circumstances. Class or group exceptions are not authorized. Each exception authorized must relate to a specific contract, a specific invitation for bid, or specific request for proposals, and must be covered by inclusion of the Property Records clause in § 1013.552 of this chapter, in the contract.

(i) When Government property is disclosed to be in the custody or control of a contractor but not contractually covered, the contractor will (1) Record such property according to the established property control system, and (ii) furnish the property administrator with all known circumstances and factual data pertaining to its receipt. When the anticipated utilization of the property can be associated with the performance of a particular contract, the property will be recorded in the official property records of that contract. (a) The property administrator, upon receipt of information that Government property is in the custody or control of a contractor without benefit of contractual instrument, or authorization as provided in § 1013.102 of this chapter,

will (1) Establish a suspense control file, (2) investigate the circumstances and facts pertaining to the receipt and intended use of the property, and (3) report such information to the ACO for appropriate action. (b) The ACO, in instances cited in subdivision (a) of this subparagraph, will: (1) Initiate action to accomplish the return of the property to the shipping organization or (2) initiate a request for the preparation and execution of contractual instrument authorizing furnishing the property. Upon completion of the action necessary in subdivisions (1) and/or (2) of this subsection (b), the ACO will notify the property administrator, who will assure that the contractor's records properly reflect the transactions, thereby clearing the property from the suspense control file.

Part IV—Miscellaneous Provisions

1. In B-401.1(a)(3), the following sentence is added preceding the last sentence:

B-401.1 *Identification.*

(a) * * *

(3) Accessory or auxiliary equipment associated with a specific basic machine for normal operations and recorded on the official records for that machine, need not be marked with an identification number unless circumstances necessitate such marking to assure that the item of accessory and/or auxiliary equipment will be returned to the Government with the basic machine with which they are associated.

2. B-403.3 is revised to read as follows:

B-403.3 *Approval of scrap procedure by the administrative contractual officer.* Where it is recognized that recording scrap data is impracticable, the requirement may be waived by the administrative contracting officer, provided it is determined that other established and approved controls are adequate and more feasible in protecting the interest of the Government. A determination of this nature will be accomplished in writing and placed in the pertinent contract control files.

3. B-403.4 is added as follows:

B-403.4 *Minimum essential requirements of contractor's scrap procedures.* See paragraph B-403.3 with respect to waiver of requirement for recording scrap data where such action is deemed impractical.

4. B-451 is revised to read as follows:

B-451 *Returnable containers.* Returnable containers are those containers title to which remains with the vendor necessitating return to the vendor by the Government within a specified time limit, or title is transferred to the Government under the terms of a contract and such containers may be returned to the vendor within a specified time, with reimbursement to the Government by the vendor.

(a) Returnable containers received at a contractor's facility as a result of procurement initiated by the contractor are the responsibility of the contractor. The ACO, in coordination with the property administrator and the cognizant auditor, will assure that the contractor's approved property control system provides an adequate record of all returnable containers, including a control procedure which will insure expeditious return of the containers to preclude demurrage charges or other unnecessary costs under the supplies contract. The procedure will be that which is normally used and acceptable to the segment of industry involved.

(b) Normally, contracts for AF procurement of products which involve returnable containers are administered by the contracting officer who negotiated or awarded the contract. If the contract provides for direct shipment of the product as Government-

furnished property to an AF contractor, the procuring contracting officer will provide the office administering the supplies contract with complete instructions on the disposition of returnable containers, including the distribution of documents and disposition of proceeds arising from refunds or deposits, if any.

5. B-453 is added as follows:

B-453 Procedure when Government property is to be removed from plants affected by bankruptcy, insolvency, or liquidation. No special procedures are prescribed for removal of Government property from plants affected by bankruptcy, insolvency, or liquidation. In such cases where property is to be removed, standard procedures will be followed. However, all actions affecting any such removal, including where applicable the preparation and submission of termination inventory schedules, DD Forms 542-545 and AMC Forms 51, will be accomplished on a priority basis. The inventory schedules and forms will be forwarded to AMC (MCPK) or WRAMA (WRU), as appropriate, with a covering letter setting forth the circumstances and need for prompt disposition of the property. Instructions will be furnished expeditiously and where necessary electrical means of communication will be utilized.

(a) Any action having legal implications will be coordinated with the AMA staff judge advocate.

6. Part XX is deleted.

§ 1030.3 Appendix C—Manual for control of Government property in possession of non-profit research and development contractors.

Part I—Introduction

1. C-100 is added as follows:

C-100 Scope of manual. This Appendix implements § 30.3, Appendix C of this title, entitled "Manual for Control of Government Property in Possession of Non-Profit Research and Development Contractors," which is hereinafter referred to as the Manual.

2. C-102 is revised as follows:

C-102 Applicability of manual. See § 30.3, Appendix C of this title.

3. C-102.50 is added as follows:

C-102.50 Deviations. When it is considered impracticable to apply the provisions of the Manual and this Appendix C, the property administrator may submit a request for authority to deviate, supported by proper justification, through channels to AMC (MCPKI).

4. C-103.51 and C-103.52 are deleted.

5. C-103.53 to C-103.56 are redesignated C-103.51 to C-103.54 respectively.

Part II—Government Administrative Provisions

1. C-200 to C-203 are added as follows:

C-200 Scope of part. See § 1013.103(a) of this chapter regarding delegations of authority with respect to the control of Government-owned industrial property, etc.

C-201 Duties and responsibilities of the contract administrator with respect to the control of Government property. Matters pertaining to control, custody, use, and consumption of Government property are specifically established as functional duties and responsibilities of the property administrator as the representative of the contract administrator. Thus the duties and responsibilities of the contract administrator in this area are primarily administrative in nature. This relationship necessitates a coordinated position on all decisions and agreements per-

taining to the contractor system and methods of controlling Government property.

C-202 Designation of property administrator.

(a) **Designation for each Government contract involving Government property.** (1) Property administrators serve in the capacity of an authorized representative of the ACO and will be designated according to procedures referred to in subparagraph (3) of this paragraph.

(2) The ACO will not perform the duties of the property administrator without prior approval of the Contract Management Division (MCPK), Hq AMC.

(3) It is the responsibility of the commanders of AF procurement activities empowered through delegation as appointing authorities to appoint adequate and qualified individuals as property administrators.

C-203 Duties and responsibilities of the property administrator.

(a) The property administrator will be familiar with the functions of other AF personnel which may affect or relate to Government property in order that he may adequately perform his duties.

(b) As representative of the ACO, the property administrator is authorized to take all actions relating to property matters which could lawfully be taken by the contracting officer, to the extent not specifically prohibited by the terms of the contract and the specific limitations set forth in the appointing document. Actions pursuant to this authority will be coordinated with the ACO. In event of dispute or disagreement between the property administrator and the contractor pertaining to Government property and controls imposed by the Manual, the ACO will direct the contractor to comply with the contract requirements and the provisions of the Manual.

(c) The property administrator will conduct only examinations necessary to determine the accuracy and completeness of records. Exhaustive verification will not be performed in connection with records which are considered commercially sound. The property administrator will ascertain the extent to which records, data, and reports of audit activities can be used in determining adequacy and accuracy of the records. Ordinarily, it will not be necessary for the property administrator to duplicate any examination(s) made for the staff of the Auditor General.

(d) The property administrator will perform only analyses necessary to determine reasonableness of usage. Records of the contractor, and of other AF personnel, including but not limited to, plant clearance (property disposal), quality control, and Auditor General personnel will be used at all times to the extent that the property administrator will not prepare or maintain any records which are obtainable from the contractor or other AF personnel. Work papers will be kept to a minimum.

(1) Research and development projects, because of the nature of the work performed, are not readily adaptable to the use of a bill of materials or other normal measures of allowances used for production type contracts. In determining reasonableness of usage or consumption of Government property under such projects, the property administrator will depend largely upon visual and physical observation of the controls exercised in connection with Government property, methods of handling prior to usage, and the general conditions under which used.

(e) The property administrator will initially evaluate the contractor's internal controls, and will conduct tests and examinations necessary to determine whether the contractor's records properly reflect the status of Government property in the contractor's possession and/or custody. Exhaustive verification will not be performed

in connection with records which are considered commercially sound. The property administrator will review and consider the information from any examinations by other Government personnel. If he determines that such information and examination are adequate to comply with the requirements of the Manual and this Appendix C, he will not duplicate the examinations but will make appropriate reference thereto in his work papers.

(f) The findings and determination of an ACO with respect to a contractor's liability for loss, damage, destruction, or unreasonable use/consumption of Government property, are referred to as a "written advice". A letter of advice constitutes a valid credit to the industrial property account when properly supported and appropriately cross-referenced. It is not required to contain a statement of the amount of loss involved wherein it is determined no liability exists on the part of the contractor. If the ACO has determined that the contractor is liable, the written advice will contain: (1) Statement of the amount of liability, (2) statement to the effect that investigation has been made of the facts surrounding the particular case, and (3) the method and details of settlement of the liability selected from the procedures in Subpart F, Part 1058 of this chapter.

(i) The written advice need not restate the items lost, damaged, destroyed, or consumed in excess of requirements, if a copy of such listing is attached and appropriately referenced.

(ii) One copy of the written advice will be furnished to the contractor and one to the property administrator, which will be retained according to C-213.1(18) of the Manual.

(g) For adjustment of discrepancies incident to shipment of Government property, see Subpart U, Part 1013 of this chapter.

(h) and (i) See § 30.3, Appendix C of this title.

2. C-205.1 is revised to read as follows:

C-205.1 Military installations or other contractors' plants.

(a) Exception to the policy cited in § 1013.102 of this chapter has been authorized by the Director of Procurement and Production, Hq USAF, when it is determined that the shipment of any item of Government property to a contractor, when not specifically provided for in a contract, is in the best interest of the Air Force. Shipments anticipated under such authority are for the purpose of inspection, test, calibration, modification, replacement, and/or repair at no cost to the Government. Government property may be furnished under this exception only with the prior approval of the Director of Procurement and Production, Hq AMC, or his designated representative, the Chief, Industrial Property Branch (MCPKI). When it is desired, for any reason, to furnish Government property to a contractor where there is no specific contractual provision, the following procedures will be followed:

(1) Each requesting activity (the AF organization having possession or control of the property) will determine that the transaction will be in the best interest of the Government, considering all factors involved, including costs.

(2) The shipping activity (the AF organization responsible for preparing the shipping documents and making the shipment), upon receipt of instructions from the requesting activity to ship Government property to a contractor in the absence of contractual authority, will record on the shipping documents the data and notations as set forth herein.

(3) The property administrator designated by the cognizant procurement activity will be responsible for the adequacy of the con-

trols exercised over the property by the contractor.

(4) A requesting activity, prior to furnishing any Government property in the absence of contractual authority, will submit a written request to MCPKI, Hq AMC, furnishing complete and detailed data on the urgency and nature of the transaction, together with the terms or conditions under which shipment will be accomplished. No request will be submitted unless an agreement has been reached with the contractor on: (i) The exact nature and extent of work to be performed, (ii) date of return of the property to the Government, and (iii) the controls to be maintained by the contractor as anticipated by the Manual. If the request is approved, the shipping activity and the requesting activity will be furnished the data and notations as herein provided, which will be entered on the shipping documents.

(5) MCPKI will review each request for the shipment of Government property to a contractor without contractual coverage and, after consideration of the justification furnished by the requesting authority, will recommend approval or disapproval to the approving authority, or will itself approve or disapprove if authorized to do so according to this paragraph. If the request is approved, MCPKI will inform the requesting activity of the authorization directing the shipment of Government property without contractual coverage. The authorization will contain a control and identification number.

(6) Instructions regarding shipment will require that shipping documents contain the following notations:

(i) Industrial property account control and identification number.

(ii) Shipped for _____ at _____
(Test, modification, etc.)
no cost to the Government. Authority: _____

(Exception control number)

(iii) Instructions for destination of the property upon completion of the work to be performed under the authorization.

(7) The contractor will maintain control of the property involved according to the Manual. Records may be identified as provided in the contractor's approved property control system.

3. In C-207.1, the instruction and paragraph (a) are revised as follows:

C-207.1 *General policy.* See § 30.3, Appendix C of this title.

(a) The authority to grant exceptions to the policy that the contractor's records will be designated and used as the official contract records has been delegated as set forth in § 1013.103(b) of this chapter. Such exceptions, however, may be authorized, in writing, only in unusual circumstances. Class or group exceptions are not authorized. Each exception authorized must relate to a specific contract, invitation for bid, or request for proposals and must be covered by inclusion in the contract of the Property Records clause in § 1013.552 of this chapter.

4. C-209 is revised as follows and C-209.1 is deleted.

C-209 *Identification.* See § 30.3, Appendix C of this title.

5. C-210 is added as follows:

C-210 *Segregation or commingling of Government property and contractor's property.* See § 30.3, Appendix C of this title.

6. In C-211.1, the following sentence is added thereto:

C-211.1 *Before termination or completion.* . . . If the property administrator and the contractor fail to reach an agreement, the property administrator will report the facts to the ACO for appropriate action.

7. C-212 to C-215 are added as follows:

C-212 *Control of scrap and salvage.* See § 30.3, Appendix C of this title.

C-213 *Records to be maintained by Government personnel.* The property administrator will not be required to duplicate records maintained by other Government personnel, but will rely on such records provided he has determined that such records comply with the provisions of the Manual, and the personnel responsible for maintaining the records have been informed by the property administrator in writing the requirements of the Manual.

C-213.1 *Records of specific contracts where property is involved.*

(a) See § 30.3, Appendix C of this title.

(b) (1) to (b) (11). See § 30.3, Appendix C of this title.

(12) Record of property audits and inspections may be maintained in a consolidated file, by contractor, provided: (i) The consolidated file identifies each contract included therein, and (ii) the records for each contract involved contain a cross-reference to the consolidated file.

(13) Records of property inspections during production and usage analyses may be maintained in a consolidated file, by contractor, provided: (i) The consolidated file identifies each contract included therein, and (ii) The records for each contract involved contain a cross-reference to the consolidated file. Records of examinations of property accounts and controls and analyses of property usage and/or consumption are usually developed in the form of detailed work papers. Although paragraph C-203 requires the holding of such work papers to a minimum, long term procurements can eventually result in a voluminous accumulation of this type of record. In such event the property administrator will develop adequate documentation by transferring the information contained in the work papers to a summary which will recapitulate the data in a form that will clearly indicate the degree and adequacy of property control maintained by the contractor and the extent of surveillance exercised by the property administrator. Thereupon, and subject to the following controls, the detailed work papers may be disposed of:

(a) Work papers will be retained for review by the auditor and will not be disposed of until after receipt of a report of audit for the period of time to which the work papers apply.

(b) In the event of receipt of a report of audit containing a citation of discrepancy or deficiency in property control, any work papers applicable to the cited deficiency will be retained until the condition has been cleared.

(c) The property administrator may retain any work papers which relate to an incident of importance that should be evidenced in the recorded history of the property account.

(d) Work papers which are classified will be disposed of according to §§ 805.1 to 805.17 of this chapter.

(14) Records of deficiencies found in property control and the corrective action taken may be maintained in a consolidated file, by contractor, provided: (i) The consolidated file identifies each contract included therein, and (ii) the records for each contract involved contain a cross-reference to the consolidated file.

(15) See § 30.3, Appendix C of this title.

(16) The written statement from the contractor listing the names of personnel authorized to receipt for Government property will contain the specimen signatures of such individuals. When contractor's normal practice provides for initials only, rather than full signature on receiving documents and the contractor furnishes the property adminis-

trator a signature list including authorized personnel's signature and initials, this practice may be accepted by the property administrator provided: (i) The contractor's written procedures recognize the use of initials for signatures as binding and such recognition is made a matter of record, (ii) the procedure is approved by the ACO or property administrator, and (iii) the initials appear on the list of specimen signatures in order that the property administrator has a positive means of identifying the individuals so authorized. This record may be contained in a consolidated file, by contractor, provided: (a) The consolidated file identifies each contract included therein, and (b) the records for each contract involved contain a cross-reference to the consolidated file.

(17) In lieu of maintaining a duplicate file of documents, evidencing receipt of Government-furnished or contractor-acquired property, title to which vests in the Government, the property administrator may rely upon files of such documents maintained by the contractor, provided such files are readily available to the property administrator and have been determined by him to be adequate to comply with the requirements of the Manual.

(18) The property administrator will maintain for each contract a file containing copies of the determinations made under the circumstances set forth in paragraph 303(e) of the Manual, whereby, the contract administrator has rendered a determination regarding the liability of the contractor. The property administrator will not be required to maintain duplicate copies of any instrument or instruments that the contract administrator may issue under the provisions of paragraph 303 (a) through (d) of the Manual, or such other instrument or instruments that are readily available in the files of the contractor or other Government personnel, such as plant clearance, quality control, and Auditor-General personnel.

C-213.2 *Control records to be maintained.* The type of file control maintained by the property administrator will be the minimum necessitated by individual circumstances to comply with the Manual and this Appendix C.

C-213.3 *Record of end items.* In lieu of maintaining a duplicate record of complete products produced under the contract, the property administrator may rely upon records maintained by the contractor, provided such records are readily available to the property administrator and are adequate to comply with the requirements of the Manual. Contractor's records of completed products used in lieu of such files, heretofore maintained by AF personnel, become a portion of the official contract records which are subject to audit and the terms of the appropriate contract with respect to retention and disposition of records.

C-213.50 *Records of transactions involving the furnishing of Government property to a contractor in the absence of contractual coverage.*

(a) Transactions involving the shipment or furnishing of Government property to a contractor in the absence of contractual provision will be subject to the approvals and authorities contained in C-205.1 of this Appendix and the paragraphs thereunder. In the event such a shipment is made to a contractor without due and prior authorization, the property administrator for the receiving contractor will act in liaison with the contractor and the shipper towards obtaining authorization according to existing procedure, or if such authorization cannot be obtained, arrange for the prompt return of the property to the Government.

(b) The property administrator assigned will maintain a record of each transaction of this nature. This record will contain the following minimum information:

(1) Name of the contractor and authorization number.

(2) The established or estimated completion date.

(3) Record of (i) audits and inspections, (ii) selective examinations and usage analysis, (iii) and deficiencies disclosed, and (iv) ultimate return and/or other authorized disposition.

C-214 Numbering property accounts. Property accounts will be assigned the same number as that of the prime contract. However, to expedite and insure proper distribution of documents and facilitate control of such accounts, each property account assigned to a single property administrator will be further identified through use of the identification number assigned to the property administrator.

C-215 Auditing property accounts. Audit of the property administrator's records, procedures, and controls (C-213, and C-213, § 30.3, Appendix C of this title) will be performed by the Auditor General, USAF. If the contractor's plant is under Army or Navy audit cognizance, the audit of the contractor's records (C-207, and C-207, § 30.3, Appendix C of this title) relating to the property administrator's records will be performed by the cognizant audit agency as an assist audit to the overall audit of the property account. In the event of revocation of the property administrator's assignment because no Government property was furnished or acquired under the contract, the related contract records established under the provisions of this general section may be retired without requirement for final audit by the Auditor General.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

PART 1051—SMALL BUSINESS

Subpart B—Defense Production Pools

Subpart B is deleted. Part 1051 is hereby Reserved.

PART 1052—PRE-AWARD SURVEYS

§ 1052.102 [Amendment]

In § 1052.102(c):

a. Question One (c) is revised as follows:

One: * * *

(c) *The delivery schedule.* The backlog and anticipated workload measured against the maximum capacity during the performance period. Past and current record of meeting delivery schedules insofar as related to any factor under questions "One" or "Two" of the FCR.

b. The second sentence of question Three is revised to read as follows:

Three: * * * Business practices encompass, but are not limited to, ethics, actual performance as to quality or delivery on previous or current Government contracts if such performance is not due to lack of "capacity" or "credit" (factors under questions "One" or "Two" of the FCR).

Subpart D—Management of the FCR

In § 1052.402-6, paragraph (h) is added as follows:

§ 1052.402-6 Plant survey arrangements.

(h) When a request for FCR involves a proposed contract for foods of animal origin and the bidder is not on the "List of Approved Sources of Food" (see AFM

160-7, paragraph 13, and § 1053.407-9(c) of this chapter), the U.S. Air Force or U.S. Army veterinarians responsible for the area in which the firm is located will be requested to conduct a sanitary inspection to determine the quality, type, class, and grade of food and sanitary conditions of processing, storage, packaging and handling and to furnish a written evaluation as a part of the FCR. If the inspection is favorable in all respects, the inspection officer will be requested to provide the "Certificate for Food Contract" (see § 1053.407-9(b) of this chapter), which the FCR monitor will assure is expeditiously furnished the contracting officer.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

PART 1053—CONTRACTS; GENERAL

Subpart A—Miscellaneous Requirements

§ 1053.101 [Deletion]

Section 1053.101 is deleted.

Subpart D—Administrative Requirements

1. Section 1053.404-2 is revised, as follows:

§ 1053.404-2 Definitions.

(a) *Office of administration.* The AF activity having overall responsibility for the administration of a contract as stipulated therein.

(b) *Air procurement district (APD).* A component of an air materiel area (AMA). It is responsible for surveillance of contractors within an assigned geographical area, excluding contractors at whose facilities AF plant representative offices are established. This includes administration of contracts, industrial property, production and industrial resources analyses, product quality and reliability assurance, industrial security, and accounting and disbursing.

(c) *AF plant representative office (AFPRO).* A component of an AMA. It is responsible for surveillance of a designated contractor at whose facility a plant residency is established and for other contractors as assigned within its area. This includes the functions and responsibilities as listed in paragraph (b) of this section.

(d) *Air procurement office.* A component of an APD or AFPRO. In a geographical area or for a number of assigned plants, the air procurement office is responsible for designated functions of the APD/AFPRO such as administration of contracts and industrial property, production and industrial resources analyses, product quality and reliability assurance, and industrial security.

(e) *Plant office.* A plant office is a component of the parent APD or AFPRO and is responsible for specified functions of the parent organization such as administration of contracts and industrial property, production and industrial re-

sources analysis, product quality and reliability assurance, and industrial security. The plant office is responsible for surveillance of a designated AF contractor at whose facility it is established. The individual in charge of a plant office is the "Office in Charge"; except in a plant where only quality control inspectors are assigned, in which case the individual in charge is the "AF Quality Control Representative."

(f) *Home office.* The contractor's office which has authority to negotiate, submit bids or proposals, execute and administer AF contracts, and perform purchasing, billing, subcontracting, expending, and recording under AF contracts.

(g) *Secondary administration.* The performance of certain administrative responsibilities which have been delegated from the office of administration to another AF office of administration.

(h) *Accounting and Finance Officer.* The individual having the overall responsibility for paying or receiving all funds and moneys passing between the Government and the contractor according to the terms of the contract.

(i) *Accounting and Finance Division.* A component within an APD/AFPRO; (1) designated to make payments on certain contracts and (2) assigned fund accounting responsibility on AMC obligated central procurement contracts when administration is assigned to APDs/AFPROs.

(j) *AMC test site office (AMCTSO).* An AMC test site office is a component of the AMA in whose geographical area it is located. The AMCTSO is responsible for performing secondary contract administration at an AF test site as delegated by offices of primary administration (APDs/AFPROs).

(k) *AMC missile field office (AMCMFO).* An AMC missile field office is assigned to the AMA charged with logistic support management of the specific missile weapon system being installed and placed under the jurisdiction of the AFPRO of the prime missile contractor. The AMCMFO is located at the missile operational site and is responsible for performing secondary contract administration as delegated by offices of primary administration (APDs/AFPROs).

Note: The following apply to paragraphs (b) to (e) of this section, as appropriate:

(1) AF personnel on official business to APDs/AFPROs or to contractors facilities under the cognizance of these activities are required to give prior notice and/or report to one of the following (in order named): APD, AFPRO, air procurement office, AF officer in charge, or AF quality control representative for registering and coordinating the business to be conducted.

(2) AF personnel will address official correspondence intended for an AF contractor through the appropriate APD/AFPRO.

(3) Electrically transmitted messages may be addressed directly to the contractor with an information copy to the APD/AFPRO.

NOTE: The following apply to paragraphs (j) and (k) of this section, as appropriate:

(1) AF personnel on official business are required to give prior notice and report to AMCTSO/AMCMFO before visiting a contractor work site.

(2) AF personnel will address all official communications intended for the contractor at test and missile operational sites through the cognizant AMCTSO/AMCMFO.

2. Section 1053.404-5 is revised as follows:

§ 1053.404-5 Geographical areas of AMA's and APD's.

(a) AMA's (except Rome which has no geographical area).

(2) *Mobile (MOAMA)*. The States of Indiana, Ohio, West Virginia, Kentucky, Tennessee, Mississippi, Alabama, and Michigan; that part of Florida west of the Apalachicola River; that part of Louisiana east of the Mississippi River; the Dominion of Canada; and the Caribbean area.

(4) *Oklahoma City (OCAMA)*. The States of Oklahoma, Kansas, Nebraska, Arkansas, Missouri, Iowa, Minnesota, Illinois, and Wisconsin.

(b) *APD's*.

(2) *Atlanta Air Procurement District (WRAMA)*: Georgia, South Carolina, and those portions of the States of Virginia and North Carolina located west of U.S. Highway 52, excluding any cities on that highway.

(8) *Detroit Air Procurement District (MOAMA)*: Michigan and Dominion of Canada.

(11) *Milwaukee Air Procurement District (OCAMA)*: Wisconsin and Minnesota.

§ 1053.405-2 [Amendment]

3. In § 1053.405-2, delete paragraph (b).

4. In § 1053.405-3, paragraph (b) is revised to read as follows:

§ 1053.405-3 Responsibility of vendors.

(b) Statements of costs which, by the terms of the contracts under which they are furnished, are required to be certified, must continue to be certified according to those contract terms unless and until amended.

5. Section 1053.406-6(b) is revised to read as follows:

§ 1053.406-6 Processing variations not permitted by the contract.

(b) *Underruns*. It is the responsibility of the contractor to deliver and of the Air Force to accept the quantities called for by the terms of the contract, unless the contract has been terminated according to the terms of the contract. If the contractor requests the Air Force to accept quantities less than those set forth in the contract or less than those permitted by the variation clause, the administrative contracting officer will carefully consider the reasons for the underrun as extended by the contractor

and determine whether acceptance of the underrun is warranted. In those cases where acceptances appear justified, the ACO will submit the facts to the buyer, who will reply, stating the decision made and the action to be taken by the procuring contracting officer.

6. Section 1053.407-2 is revised to read as follows:

§ 1053.407-2 Citation of accounting and finance officer.

A citation of the accounting and finance officer designated to make payment will be made on all contracts.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

PART 1054—CONTRACT ADMINISTRATION

Subpart A—Administration of AF Contracts by Contracting Officers

1. Section 1054.102 is added as follows:

§ 1054.102 Application.

The rules stated in this subpart do not apply to:

(a) Action under contract provisions for decision as to termination at the convenience of the Government or for contractor's default. This action is covered under Part 8 of this title and Part 1008 of this chapter.

(b) Base procurement as defined in § 1001.201-51 of this chapter.

(c) Action under contract provisions for advance payments. Administration of such provisions is covered by Subpart AA, of this part, and Subpart G, Part 1038 of this chapter (to be superseded by § 1030.5, Appendix E of this chapter). Also see Subpart D, Part 82, Subchapter G of this title.

2. In § 1054.104, paragraphs (cc) and (dd) are added as follows:

§ 1054.104 Matters of contract administration to be handled by Administrative contracting officers.

(cc) When extenuating circumstances arise on contracts exempted from production surveillance, the ACO may request production surveillance as prescribed in AMCM 84-2.

(dd) When advised by the contractor according to § 1007.4053 of this chapter that an item being procured under any contract he is administering will contain radioactive materials, he will forward this information through channels and furnish an information copy of this same information to Director of Maintenance Engineering (SAMTSP), SAAMA.

Subpart B—Approval of Subcontracts

1. In § 1054.204, paragraphs (a) and (b) are revised as follows:

§ 1054.204 Approval of contractor's purchasing system.

(a) Reliance upon the contractor's purchasing system where it has been determined efficient is preferred to checking and approving individual subcontracts. Since the manner in which

the approval of a subcontract is given is the prerogative of the Government, it will be considered proper for ACO's to substitute approval of the contractor's purchasing system for individual approvals, even though the prime contract does not contain a contract clause specifically providing for elimination of individual approval requirements based on approval of the contractor's purchasing system. The contracting officer may approve all or any part of the contractor's purchasing system and from time to time rescind or reinstate such approval. However, any approval granted should exclude cost-reimbursement, time-and-material, and labor-hour subcontracts which would involve an estimated amount in excess of \$10,000. These types of subcontracts will be approved individually according to §§ 1054.213 or 1054.214.

(b) * * *

(1) Specifically and only as to contractors whose Defense Subcontracting Small Business Programs are within Air Force responsibility for review and determination of adequacy (see § 1.707-4 of this title, and § 1001.707-4 (a) and (d) of this chapter), the administrative contracting officer will call the contractor's attention to formats as shown in Figures 1 and 2 which have been approved by the Bureau of the Budget (BOB No. 21-R.183, expiring December 31, 1961) in accordance with the Federal Reports Act of 1942, and inform the contractor that his use of these formats and making them available for review and appraisal by the administrative contracting officer upon request would provide a ready means for determining the extent to which consideration is given to small business concerns. The contractor is authorized to reproduce the formats for his own use. The contractor's use of these formats will not be made a requirement by the administrative contracting officer. Contractors who accept the use of these formats may discontinue such use at their own discretion at any time or upon a determination by the ACO that the objectives of the program are being achieved in consideration of the type, volume and timing of the work, and the extent of opportunity afforded small business to participate.

2. In § 1054.206, paragraph (b) (2) is revised to read as follows:

§ 1054.206 Approving subcontracts under fixed-price prime contracts.

(b) * * *

(2) Individual approval by the contracting officer of all cost-reimbursement type, time-and-materials, and labor-hour subcontracts which would involve an estimated amount in excess of \$10,000.

3. Section 1054.218 is revised to read as follows:

§ 1054.218 Coordination.

(a) *Make-or-buy policy*. ACO's will, in conforming with the prime contract clause, comply with all requirements for screening prime contractors' proposed make-or-buy structure for compliance with make-or-buy policy (see § 1003.902 of this chapter).

SUGGESTED SMALL BUSINESS CHECKLIST AIR FORCE-INDUSTRY SMALL BUSINESS PROGRAM		BUDGET BUREAU APPROVAL NO. 21-8128 (Expires 31 December 1961)
The information on this checklist is to be recorded by the company buyer immediately upon award of any subcontract or purchase made in the interest of defense contracts held by the company.		
PURCHASE ORDER NO.	AMOUNT (\$)	DATE
1. <input type="checkbox"/> AWARD MADE TO SMALL BUSINESS AND AWARD LESS THAN \$10,000 (If checked, no further entries will be made)		
2. AWARD MADE TO SMALL BUSINESS AND AWARD \$10,000 OR MORE, AND:		
A. <input type="checkbox"/> 1 OR 2 SMALL BUSINESS COMPANIES SOLICITED		
B. <input type="checkbox"/> 3 TO 5 SMALL BUSINESS COMPANIES SOLICITED		
C. <input type="checkbox"/> 6 OR MORE SMALL BUSINESS COMPANIES SOLICITED		
3. AWARD MADE TO LARGE BUSINESS AND NO SMALL BUSINESS WAS SOLICITED BECAUSE:		
A. <input type="checkbox"/> NO KNOWN SMALL BUSINESS SOURCE		
B. <input type="checkbox"/> KNOWN SMALL BUSINESS SOURCES RULED OUT FOR TECHNICAL, QUALITY, DELIVERY OR OTHER JUSTIFIABLE REASONS		
C. <input type="checkbox"/> THIS IS ADDITIONAL FUNDING ON MAJOR SUBASSEMBLIES		
D. <input type="checkbox"/> FOLLOW-ON BUSINESS		
4. AWARD MADE TO LARGE BUSINESS AND THE FOLLOWING NUMBER OF SMALL BUSINESS CONCERNS WERE SOLICITED:		
A. <input type="checkbox"/> 1 OR 2		
B. <input type="checkbox"/> 3 TO 5		
C. <input type="checkbox"/> 6 OR MORE		
5. SMALL BUSINESS CONCERNS WERE SOLICITED AND AWARD WAS MADE TO LARGE BUSINESS BECAUSE:		
A. <input type="checkbox"/> NO BIDS RECEIVED FROM SMALL BUSINESS		
B. <input type="checkbox"/> SMALL BUSINESS BIDS NOT COMPETITIVE		
C. <input type="checkbox"/> SMALL BUSINESS BID WAS LOW BUT DISQUALIFIED FOR AUTHORIZED REASONS		
BUYER'S SIGNATURE		

FIGURE 2

SUGGESTED QUARTERLY REPORT OF SMALL BUSINESS SUBCONTRACTING AIR FORCE-INDUSTRY SMALL BUSINESS PROGRAM		BUDGET BUREAU APPROVAL NO. 21-8128 (Expires 31 December 1961)
TO:	FROM:	
1. DATE OF REPORT	2. PERIOD OF REPORT (Check one)	CALENDAR YEAR
	<input type="checkbox"/> JAN THRU MAR <input type="checkbox"/> APR THRU JUN <input type="checkbox"/> JUL THRU SEP <input type="checkbox"/> OCT THRU DEC	
3. THE FOLLOWING STATISTICS WERE DEVELOPED FROM PROCUREMENTS MADE IN THE INTEREST OF ALL DEFENSE WORK BEING PERFORMED BY THIS <input type="checkbox"/> PLANT <input type="checkbox"/> DIVISION <input type="checkbox"/> COMPANY		
		NUMBER
		VALUE (\$)
4. AWARDS TO SMALL BUSINESS		
A. NUMBER AND VALUE OF PURCHASES OF LESS THAN \$10,000 AWARDED TO SMALL BUSINESS		
B. NUMBER AND VALUE OF PURCHASES OF \$10,000 OR MORE AWARDED TO SMALL BUSINESS AND:		
(1) 1 OR 2 SMALL BUSINESS FIRMS SOLICITED		
(2) 3 TO 5 SMALL BUSINESS FIRMS SOLICITED		
(3) 6 OR MORE SMALL BUSINESS FIRMS SOLICITED		
(4) TOTAL IN THIS CATEGORY		
5. AWARDS TO LARGE BUSINESS		
A. NUMBER AND VALUE OF PURCHASES ON WHICH SMALL BUSINESS FIRMS WERE NOT SOLICITED BECAUSE:		
(1) NO KNOWN SMALL BUSINESS SOURCES		
(2) KNOWN SMALL BUSINESS SOURCES RULED OUT FOR TECHNICAL, QUALITY, DELIVERY OR OTHER JUSTIFIABLE REASONS		
(3) THIS IS ADDITIONAL FUNDING ON MAJOR SUBASSEMBLIES		
(4) FOLLOW-ON PROCUREMENTS		
(5) TOTAL IN THIS CATEGORY		
B. NUMBER AND VALUE OF PURCHASES FROM LARGE BUSINESS ON WHICH SMALL BUSINESS FIRMS WERE SOLICITED		
(6) 1 OR 2 SOLICITED		
(7) 3 TO 5 SOLICITED		
(8) 6 OR MORE SOLICITED		
(9) TOTAL IN THIS CATEGORY		
C. PURCHASES IN 3B ABOVE AWARDED TO LARGE BUSINESS BECAUSE:		
(10) NO SMALL BUSINESS FIRM BID		
(11) SMALL BUSINESS BIDS NOT LOW		
(12) SMALL BUSINESS BID LOW BUT DISQUALIFIED FOR JUSTIFIABLE REASONS		
(13) TOTAL IN THIS CATEGORY		

FIGURE 1

(b) *With European office, ARDC.* Prior to the placement of subcontracts with contractors located in the European Area to perform Research and Development work under prime contracts entered into either in the Con US or European theater, the assistance and recommendations of the European Office, ARDC, will be obtained relative to the subcontractors' capabilities of performance.

4. In § 1054.222, the following material is added to paragraph (b):

§ 1054.222 Affiliations between Air Force contractors and their subcontractors or suppliers.

(b) * * * The extent to which and the manner in which such information should be requested should be determined by the contracting officer in the light of the circumstances of the particular case. Except in unusual cases, however, all inquiries should be made through such contractor (or through the cost-reimbursement subcontractor, as the case may be), and there should very rarely be any necessity for circularization, by the contractor or otherwise, of all employees or stockholders.

5. Section 1054.223 is deleted and the following substituted therefor:

§ 1054.223 Uniform rental rates.

In approving CPFF subcontracts for construction or architect-engineer services, the ACO will be guided by the provisions of Department of Defense Instruction 4105.2, August 9, 1956.

§ 1054.225 [Redesignation]

6. Section 1054.225 is redesignated § 1054.224.

7. A new § 1054.225 is added as follows:

§ 1054.225 Duty and customs.

To comply with Part 6 of this title and § 1006.602-6(b) of this Chapter, the ACO will require the prime contractor or subcontractor to furnish him a copy of each subcontract or purchase order covering supplies procured in Canada and other locations outside the United States in support of the prime contract. This copy will be made available to the ACO concurrently with placement of the procurement. The ACO will immediately review and determine if issuance of a duty-free entry certificate is required and if so, he will comply at once with § 1006.602-6(b) of this chapter.

Subpart C—Contract Change Notifications

1. Section 1054.302 is revised to read as follows:

§ 1054.302 Definition.

"Master serial number:" A number assigned for keeping a record of CCN's in consecutive order as issued.

§ 1054.303 [Deletion]

2. Section 1054.303 is deleted.

§ 1054.305 [Redesignation and revision]

3. Section 1054.305 is redesignated § 1054.303 and is revised to read as follows:

§ 1054.303 Use of CCN's.

(a) CCN's will be issued only when the urgency of the situation precludes negotiating and executing an appropriate supplemental agreement, and then only pursuant to the Changes clause of the contract or other contractual provision authorizing changes where the change affects any one of the following:

(5) [Deleted]

(c) * * *

(1) Where the contract does not contain a Changes clause or other contractual provision permitting such unilateral action by a contracting officer.

(2) To effect any partial or total termination.

(3) To effect special price increases or reductions, either voluntary or resulting from a price redetermination provision of the contract.

(4) To add or delete contract clauses.

(5) To add or delete items from Spare Parts Lists.

(6) To effect additional procurement, except for additional work within the general scope of the contract, if provided by the Changes clause or other schedule provisions.

4. Section 1054.306 is revised to read as follows:

§ 1054.306 Procedure for issuance of CCN's.

(a) Before issuing a CCN, the PCO will obtain a master serial number from the contract distribution office or equivalent, of the appropriate Director of Procurement and Production or comparable local level. He will furnish the contract distribution office his name, organization code, the contract number, and name and address of the contractor for record purposes.

(b) Personnel designated to issue CCN's will not authorize contractors orally or in writing to make contract changes or proceed with work without contractual coverage except in the following instance. When an urgent change must be made immediately, the contracting officer will instruct the contractor and the ACO, in writing, to proceed with the change furnishing them the master serial number and the CCN number. This procedure will not be used unless all requirements for issuing a CCN according to this subpart have been fulfilled. The covering CCN will not deviate from the instruction previously furnished the contractor. Any additional amendment will require issuance of another CCN.

(c) Correction to a CCN will be made by issuance of another CCN rescinding the original and stating the intent. The definitized supplemental agreement will cite both the superseded and superseding CCN numbers to give recognition to completed price negotiations.

(d) CCN's will be issued by the PCO, unless authority to issue same has been delegated to the ACO and the contract so provides. In the latter case, no master serial number will be assigned. Before issuance of a CCN, the contracting officer will obtain the contractor's estimate of the change in contract price resulting

from the change or, if the change is urgent, will make his own estimate and will take action to provide sufficient funds.

§ 1054.310. [Redesignation and revision]

5. Section 1054.310 is redesignated § 1054.307 and is revised to read as follows:

§ 1054.307 Quotations.

Within 60 days after issuance of a CCN (or such other time as the contract provides), the contractor will be required to submit a quotation to the ACO. (See § 3.807 of this title for price analysis procedures for quotations covering contractors' proposals). Whenever a change in price or cost is involved in a CCN, negotiations must commence, as soon as possible after issuance of the CCN, to supersede it by a supplemental agreement in the shortest possible time.

(a) The ACO is responsible for followup with the contractor to insure: (1) The expeditious curtailment of procurement or manufacture of parts made obsolete by approved changes, and (2) that quotations are promptly submitted. He is authorized to approve extensions of time, but he will exercise this authority sparingly and only upon a strong showing by the contractor that prompt submission of a reasonably accurate quotation is impossible or would have a demonstrably adverse effect on production.

(b) The ACO will insist that the contractor submit substantiating cost data in support of all costs even though no adjustment is indicated. The ACO will analyze each quotation and, if any of the adjustments proposed by the contractor appear unsatisfactory, will attempt to secure a satisfactory proposal. Contractor's proposal, as possibly revised, will be forwarded by the ACO, with written recommendation, to the appropriate procuring activity.

§ 1054.311 [Redesignation and revision]

6. Section 1054.311 is redesignated § 1054.308, and paragraph (a) is revised to read as follows:

§ 1054.308 Supplemental agreements with respect to changes ordered by CCN's.

(a) The PCO is responsible for promptly negotiating an agreement regarding the changes covered by all CCN's issued prior to pricing against any given contract, except as noted in § 1054.303(a) (1) and (2), unless the contract specifies otherwise. The supplemental agreement will identify all CCN's being superseded thereby and will show the change in contract price, cost and fee attributable to each. Any increase or decrease decided upon as a result of such negotiation will be incorporated into the contract by means of a supplemental agreement. If it is established, either as a result of negotiation or by reason of waiver thereof by contractor, that no change is required in contract price, or in the estimated cost and fixed fee, or in the delivery schedule, or time of performance, a supplemental agreement nevertheless will be issued to show for

record purposes that the changes specified by CCN's listed in the supplemental agreement necessitate no change in contract price, or in estimated cost and fixed fee, or in delivery schedule, or time of performance. The amount shown on the face of the supplemental agreement superseding a CCN will be the net increase or decrease over or under the amount of funds previously obligated under the CCN. The body of the supplemental agreement will contain a recapitulation of the final negotiated change in price, the amount previously obligated by CCN, and the net adjustment being made by the supplemental agreement. The requirement for manual approval will be based upon the final negotiated price shown in the recapitulation, and not the net adjustment effected by the supplemental agreement.

Subpart D—Reimbursement of Costs in Excess of Estimated Costs Incurred Under Cost-Reimbursement Type Prime Contracts and Subcontracts

1. Sections 1054.402 and 1054.403 are revised as follows:

§ 1054.402 General.

Reimbursement under a cost-reimbursement type contract for expenditures incurred is limited to the amount of funds obligated on the contract.

§ 1054.403 Action by the administrative contracting officer.

When the administrative contracting officer receives information to indicate that the actual cost may exceed estimated costs of performing the contract, he will:

(a) Notify the contractor to submit a request for additional allotment, citing:

(1) The contract item number(s) and amounts of each creating the overrun.

(2) The elements of costs which increased over the original estimate, i.e., labor, material, or overhead.

(3) The factors responsible for the increase, i.e., error in estimate, changed conditions, etc.

(b) Review the contractor's request to determine the reasonableness thereof, using Government auditor and other technical personnel, as necessary.

(c) Forward the request to the procuring contracting officer, with recommendations.

2. Section 1054.404 is added as follows:

§ 1054.404 Action by the procuring contracting officer.

Upon receipt of the contractor's request for additional funds and the ACO's recommendation, the PCO will:

(a) Ascertain from the initiator of the procurement whether the supplies and services in the quantities set forth in the contract are still required.

(b) Advise the ACO of the action in process.

(c) Issue an ACD, termination request, or notice to effect partial termination, as appropriate.

(d) If additional funds are to be provided, process an appropriate change order.

3. Sections 1054.405 and 1054.406 are revised to read as follows:

§ 1054.405 Effect of contract amendment by which additional funds are allocated.

Changes in fixed fee will be made only to reflect changes in the scope of work under the contract which justify an increase or decrease in the fixed fee.

§ 1054.406 Subcontracts.

Government reimbursement to prime contractors may be made for allowable costs paid to subcontractors, but not in excess of the aggregate funds obligated on the prime contract. When it appears that actual costs will exceed the estimated cost stated in the subcontract, the ACO will review the subcontract, and consult with the prime contractor to arrive at an agreement which will adequately protect the interests of the Government. In the event of disagreement between the prime contractor and the ACO, the matter should be referred to the chief, contract division, of the administering air procurement district or AF plant representative office.

Subpart E—Decisions and Appeals Under Disputes Clause

1. Section 1054.501 is added as follows:

§ 1054.501 Exception.

When the disputes clause in § 1007.4205-8 of this chapter is used, appeals are initially heard by an overseas command board of contract appeals. In such instances, the overseas command staff judge advocate, rather than the Staff Judge Advocate, Hq AMC, will be the source of advice with regard to proposed decisions and will be the channel for forwarding data relating to appeals. Appropriate changes should be made in the suggested formats contained in §§ 1054.504 and 1054.505 when decisions are rendered pursuant to the disputes clause in § 1007.4205-8 of this chapter.

2. Delete §§ 1054.502, 1054.503 to 1054.503-4, and 1054.504 to 1054.504-2, and add the following:

§ 1054.502 Decisions.

§ 1054.502-1 Preparation.

Where mutual agreement proves impossible, a findings and decision must be prepared. This single document should contain a simple and concise statement of: (a) The claim, (b) the decision, and (c) the factual grounds which support the decision. The factual determination must be relevant to the issues and supported by documents or oral statements. See §§ 1054.504 or 1054.505.

§ 1054.502-2 Legal advice by Staff Judge Advocate, Hq AMC.

All written findings and decisions, except defaults and excess costs, will, prior to transmittal to the contractor be referred for comment to the Staff Judge Advocate, Hq AMC, together with pertinent documents and summaries of testimony of all Government witnesses. Default and excess costs findings and decisions will be submitted to the appropriate field staff judge advocate. When referrals are made, the accom-

panying file will be complete in all respects.

§ 1054.502-3 Transmittal to contractor.

After the referral described in § 1054.502-2 has been accomplished, the findings and decisions will be re-examined by the contracting officer in the light of the advice and comments proffered by the Staff Judge Advocate, Hq AMC. If, in the judgment of the contracting officer, re-examination reveals the propriety of modifications or additions, he will make the appropriate changes. After such re-examination, and changes if appropriate, he will transmit the findings and decision to the contractor in person, obtaining a receipt therefor, or by certified mail, return receipt requested.

§ 1054.502-4 Amendment after transmittal to contractor.

After a timely appeal has been taken to the Armed Services Board of Contract Appeals, the contracting officer who has rendered findings and a decision, or his successor, may for good cause recommend to the Board that the findings and decision be corrected or amended. Such recommendation will be forwarded through the Staff Judge Advocate, Hq AMC, together with pertinent documents and summaries of testimony of all Government witnesses.

§ 1054.503 Appeals.

See § 30.1, Appendix A of this title.

§ 1054.503-1 Processing.

(a) When a notice of appeal in any form has been received by the contracting officer from whose findings and decision the appeal is taken, he will comply with Rule 4, Part II, of § 30.1, Appendix A of this title. The envelope in which the notice of appeal was received will be forwarded with the notice, to the Board. Promptly thereafter, he will send the Staff Judge Advocate (MCJ), Hq AMC, a copy of the notice and other pertinent documents as required by Rule 4.

(b) If AF personnel other than the contracting officer involved receive the notice of appeal, they will:

(1) Note on the notice of appeal, the date of mailing or the date of receipt if otherwise filed.

(2) Forward to the Board within 10 days, the original notice of appeal together with the envelope in which the notice of appeal was received or any other documentary evidence of mailing or receipt of such notice.

(3) Notify the Staff Judge Advocate (MCJ), Hq AMC, that the notice of appeal has been forwarded to the Board. If two or more copies of the notice of appeal are furnished, all copies other than the original will be forwarded to MCJ. Otherwise, a copy of the notice of appeal should be made for MCJ, if practical. If not practical, then MCJ should be furnished the number of the contract and the name of the contractor.

(c) Upon receipt of information that a notice of appeal has been filed, MCJ or the appropriate field staff judge advocate will request the contracting officer to furnish the information required in paragraph (a) of this section. Two

copies of all requested documents will be furnished MCJ.

§ 1054.503-2 Contractor's compliance and withdrawal after appeal is filed.

Whenever the contractor, subsequent to filing an appeal with the Armed Services Board of Contract Appeals, elects nevertheless to accept fully the findings and decision from which appeal was taken and gives written notification of such full acceptance to the contracting officer concerned, the contracting officer will be responsible for promptly sending the contractor's notice of acceptance to the Staff Judge Advocate, Hq AMC. Upon receipt of the notice the Staff Judge Advocate in collaboration with the contractor will prepare and submit a joint motion of withdrawal to the Board. For action to be taken by the contracting officer in instances where the contractor, after filing an appeal with the Armed Services Board of Contract Appeals, in writing signifies partial acceptance with the findings and decision of the contracting officer, see § 1054.502-4.

§ 1054.503-3 Assistance in connection with pretrial conference and hearings.

At all times after the filing of an appeal, the contracting officer will render all assistance requested by the Staff Judge Advocate, Hq AMC. Whenever an appeal is set for hearing, the contracting officer concerned, upon request of the Staff Judge Advocate, Hq AMC, will be responsible for arranging for the presence of essential Government witnesses and specified documentary evidence at both the pretrial conference and the hearing.

§§ 1054.505-1054.508 [Redesignation; amendment]

3. Sections 1054.505 to 1054.508 are redesignated 1054.504 to 1054.507, and in § 1054.507, the reference "§ 1054.503-2" is changed to "§ 1054.502-2."

Subpart F—Administration of Progress Payments

1. Section 1054.600 is revised to read as follows:

§ 1054.600 Scope of subpart.

This subpart sets forth policies, procedures, and responsibilities for the administration of progress payments. (See Subpart E, Part 82 of this title.)

2. Section 1054.602 is deleted and the following substituted therefor:

§ 1054.602 Administration procedures.

(a) When a contract containing a progress payments clause is received the administrative contracting officer will inform the contractor in writing that when he submits progress payment invoices, he should segregate and accumulate costs applicable to the progress payments clause of the contract according to an approved and acceptable accounting system. (See § 82.75, Subchapter G of this title.)

(b) Unless the contract clause specifically provides otherwise, the ACO will not approve progress payments based on costs attributable to any item completed

and accepted by the Government and invoiced under the contract involved.

(c) The ACO in making the determinations required by this subpart or by the progress payments clause, will consult with, and use the services of production, quality control, the auditor general, financial, and other AF technical personnel, as necessary. These technical personnel will be consulted to determine:

- (1) Progress of the contract.
- (2) Efficiency of the contractor.
- (3) Overall opinion of the contractor's operations.
- (4) Financial condition of the contractor.
- (5) Status of First Article as applicable.¹

(d) Cognizant technical personnel are charged with the responsibility of advising the ACO of any occurrences of which they become aware and which may have a bearing on contract performance. See also § 82.30, Subchapter G of this title.

(e) Upon receipt of a request for a progress payment from a contractor who is on the Financial Control List (see § 82.26, Subchapter G of this title), the ACO should advise the facility advisory board that approved the FCR of such fact and request recommendations from the board regarding the approval of the request. The responsibility for deciding whether a progress payment should be approved under the circumstances rests with the ACO. In arriving at such decision, the ACO will be guided by the principles in § 82.93, Subchapter G of this title.

(f) The facility advisory board is available for advice in any case involving requests for progress payments in which the ACO has any doubts as to the advisability of approving an individual progress payment. See Subpart E, Part 1052 of this chapter, for the location and functions of such boards. (See also § 82.93, Subchapter G of this title.)

Subpart G—Contract Change Releases

1. Section 1054.702 is revised to read as follows:

§ 1054.702 Definitions.

(a) *Contract change release (CCR)*. AFPI Form 47, a document issued to correct inaccuracies and omissions of stock or part numbers and item descriptions in active production contracts.

(b) *Logistic support manager (LSM) or commodity class manager (CCM)*. As used herein the AMA or depot having the commodity class management responsibility for the end article under procurement.

2. Section 1054.704 is added as follows:

§ 1054.704 Responsibilities and procedures.

(a) When discrepancies described in § 1054.703(a) are discovered, the ACO

¹ If the contract contains a First Article clause which states that the contractor will not proceed with fabrication and/or production of items until approval of the first article, the ACO will confine his approval of progress payments to costs incurred in the fabrication of the first article.

exercising jurisdiction over the contract involved will be informed. The ACO will:

(1) Investigate to determine whether the discrepancy exists as reported.

(2) Determine the corrective action required.

(3) In case the ACO finds that delivery has been completed on an item subject to correction by a CCR or that the item has been cancelled before request for correction was received, inform the initiator and the provisioning control component of the LSM or CCM as appropriate of the circumstances which prevent the execution of the CCR.

(4) Notify the contractor of recommended corrections.

(5) Verify the correction with the appropriate provisioning control component of the LSM or CCM as appropriate before preparing the CCR. (Determination of which LSM or CCM is involved will be on an end item interest as provided for in § 1054.702(b).) For production contracts not involving initial spares support, verify correction with the appropriate commodity class before preparing CCR.

(6) Upon verification, prepare CCR's on AFPI Form 47, "Contract Change Release," and reflect all information applicable to the change that is to be effected, including the effectivity date.

(7) Assign CCR serial numbers to all CCR's issued, in separate numerical series for each contract under his jurisdiction. (Master serial numbers are no longer required.) Manually sign two copies of all CCR's issued. Furnish one of the manually signed copies to the contractor, and retain the other signed copy in his contract file as the official AF permanent record.

(b) When discrepancies in stock number, part number, or nomenclature exist as a direct result of official AF supply catalog changes (FSC changes), the provisioning control component of the LSM or CCM (or the appropriate commodity class of the FSC manager if a production contract not involving initial spares support) will notify the administrative contracting officer, who will issue a CCR after determining that the corrections are in order.

Subpart H—Contract Technical Services Contracts

A new Subpart H is added as follows:

Sec.	
1054.800	Scope of subpart.
1054.801	Applicability of subpart.
1054.802	General.
1054.803	Responsibilities.
1054.804	Responsibilities of AMC contracting officers.

AUTHORITY: §§ 1054.800 to 1054.804 issued under sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314.

§ 1054.800 Scope of subpart.

This subpart sets forth procedures and guidelines for administering Contract Technical Services (CTS) contracts.

§ 1054.801 Applicability of subpart.

This subpart applies to all major air commands concerned with the administration of CTS contracts.

§ 1054.802 General.

The Contract Technical Services Program has been established so that the Air Force may acquire, by contract, the technical assistance of industry to indoctrinate AF activities when new equipments are introduced into the inventory. Such technical assistance includes advising and instructing AF personnel in the techniques of installation, maintenance, supply support and operation of complex equipment. Procurement and contracting personnel will be designated ACO's according to § 1001.452 of this chapter. Responsibility for administering CTS contracts will not be assigned beyond the procuring activity which services the major command headquarters.

§ 1054.803 Responsibilities.

In addition to functions and responsibilities normally assigned, contracting officers administering CTS contracts will:

(a) Furnish the accounting and finance officer certain information to support the obligation of funds for services called for on applicable exhibits to CTS contracts.

(1) Each CTS contract contains an "effective date of contract" provisions specifying that the contract is not binding until funds have been obligated.

(2) The ACO or the office of primary interest of each command will prepare the AFPI Form 82, "Provisioning Order Obligation Document" (POOD) for obligating its funds to the CTS Program.

(3) Each "POOD No." will be preceded by the command code, such as ADC-1. Subsequent POOD's will be issued as amendments and will be numbered as follows: ADC-1-1, ADC-1-2, etc.

(4) One copy of the AFPI Form 82 will be distributed to each of the following offices:

- (i) Contractor.
- (ii) General Accounting Office.
- (iii) The paying finance office.
- (iv) The command accounting activity.
- (v) The administrative contracting officer.
- (vi) The command office of primary interest (DCS/M or equivalent).
- (vii) AMC Aeronautical Systems Center (LMPGF) (Contract Files).

(b) Contractors' invoices will include, as attachments, certificates of service signed by authorized AF supervisory officers for each technical representative or contract technician who has provided services charged to applicable invoices. When invoices contain discrepancies or questionable items of billing, the ACO will indicate the items and amounts to which exception is taken and approve the balance of the invoice. The exceptions may be placed on supplementary billing when resolved. Questionable items on signed certificates of service which are authorized by the terms of the contract will be resolved within command channels in lieu of contracting contractors.

§ 1054.804 Responsibilities of AMC contracting officers.

Time spent in training at the contractor's plant by contract technical services personnel or time consumed while awaiting security clearances will be certified by contracting officers assigned to AFPRO's/APD's. Certifying such time will not require delegation from ACO's at the using commands.

Subpart I—Wage and Salary Acceptance

1. Sections 1054.900 to 1054.903 are revised to read as follows:

§ 1054.900 Scope of subpart.

This subpart prescribes the procedures for acceptance by ACO's of cost resulting from wages and salaries paid by AF contractors to their employees and allocable to applicable contracts.

§ 1054.901 Application.

This subpart applies to cost type prime contracts and subcontracts. Cost resulting from wages and salaries that are involved in cost analysis for redeterminable or incentive type contracts will not exceed those amounts accepted by the ACO under cost type contracts.

§ 1054.902 Definition.

Paragraphs (c) and (t) of § 15.204 of this title define "wages and salaries" as used in this subpart.

§ 1054.903 Accepting authority.

The ACO is designated as the authority for accepting costs resulting from wages and salaries initially established and from increases thereto. His acceptance will be based on: (a) His judgment that costs resulting from wages and salaries are fair and reasonable after first obtaining adequate justification when deemed necessary; (b) review of the contractor's rate system; (c) review of the contractor's policy for wage and salary increases, in relation to that of the industry and area concerned (see §§ 15.201 and 15.204 (c) and (t) of this title and §§ 1015.201 and 1015.204 (c) and (t) of this chapter); and (d) such considerations as the size and type of Government contracts held by the contractor, the nature of the services rendered by the employee, former rates of compensation, the frequency and amounts of increases, changes in scope and extent of services rendered by the employee, and any other pertinent facts.

2. Section 1054.904 is deleted and the following substituted therefor:

§ 1054.904 Wage and salary rates requiring special consideration.

(a) Except as otherwise provided below, costs of wages and salaries included in a final negotiated overhead rate will be subject to the review and acceptance procedures specified in § 1054.903.

(b) Where the total cost reimbursement and price redeterminable Government business amounts to only a small proportion of a corporation's over-all business, the ACO should, generally, accept the corporation's pay plan, and compliance with § 1054.905 will ordi-

narily not be necessary. In determining the applicability of this section, each division of a corporation will be considered individually.

(c) Where the total AF business represents a small proportion of applicable Government business with any specific contractor either at division or corporate level, the ACO should ordinarily accept the position taken by the service that has the largest amount of business with the contractor and compliance with paragraphs (a) and (b) of § 1054.905 will ordinarily not be necessary.

(d) Where a contractor submits a salary schedule containing ranges for specific positions, and a plan for changes within the range, the ACO may accept such schedule and plan. This is not applicable to salary schedules submitted in compliance with § 1054.905.

3. In § 1054.905 revise the introductory paragraph, paragraph (a), paragraph (b) (1), and subdivisions (a) and (b), as follows:

§ 1054.905 Costs resulting from salary and wage rates and adjustments subject to acceptance.

The costs resulting from all salary and wage rates and adjustments thereto within the applicability of this subpart may be made effective on cost type contracts after acceptance by the ACO. Costs on which acceptance is required will apply to:

(a) *Basic wage and salary schedules and adjustments or additions thereto.* The ACO in determining the acceptability of such costs will consider all remunerations, including bonuses and payments in any form in computing the total compensation of employee.

(b) * * *

(1) The ACO will examine each such salary following the criteria prescribed in § 1054.903. Before acting on such salaries, the ACO will consult with Hq AMC. The advice of Hq AMC is not required when current or future submissions by the contractor are not in excess of amount(s) previously accepted for position(s) established.

Note [Deleted]

(a) The amount paid to or set aside for the individual or the current cost to the contractor of funding the benefit if it is of the deferred type.

(b) Specify whether the plan providing these benefits has been approved by the Air Force and, if so, by whom.

§ 1054.906 [Amendment]

4. In § 1054.906, the present paragraph (d) is deleted, and paragraphs (e) and (f) are redesignated paragraphs (d) and (e).

5. Sections 1054.910 and 1054.911 are revised to read as follows:

§ 1054.910 Union activities and labor-management disputes.

(a) Salaries and wages of employees of the contractor engaged in union activities during regular working hours

may properly be considered to be a part of the cost of performance of the cost type contract for purposes of reimbursement if:

(1) Specified in the provisions of a labor contract between the contractor and a labor union.

(2) An established practice or policy of the contractor exists at the plant or plants involved.

(3) A trade custom or practice exists in the locality of the contractor's plant.

(4) A custom or practice exists in the industry. Each case will be decided on its own merits.

(b) ACO's will not, under any circumstances, participate directly or indirectly in labor-management disputes, controversies, or negotiations.

§ 1054.911 Policy regarding elimination of incentive pay and excessive per diem for work or services at AF test bases.

(a) Additional pay has sometimes been given to contractor's employees at various AF test bases as a bonus for accepting such employment or because of the isolation and unfavorable environment of the locations. The additional pay is usually in the form of incentive pay or per diem for longer periods of time than are authorized because of travel or relocation status. Such conditions have resulted in increased costs to the Air Force.

(b) Where existing contracts provide for additional compensation to contractors' personnel to be paid as incentive or per diem over an extended period, active steps will be taken to eliminate such pay structures as soon as possible. Contracting officers will review existing wage and salary structures of AF contractors having contracts which fall within the scope of this chapter and, according to contract provisions, will withdraw authorization where incentive or excessive per diem is authorized in excess of 270 days from starting date.

(c) Contractors' wage and salary structures should adequately reflect total compensation for services without addition of per diem or incentive pay. Per diem will be limited to travel and relocation circumstances set forth in §§ 1015.204 and 1015.502(j) of this chapter. Contracting officers will carefully screen contractors' wage and salary schedules to assure that former incentive or per diem rates are not included as part of the overall pay structure. Such inclusion merely causes the basic rates to become unreasonable and the former inequalities in pay to continue.

(d) Unless otherwise stated in contract provisions, contracting officers will not accept wage and salary structures which include incentive pay or excessive per diem, except for key technical and supervisory personnel identified to the particular project. It must be emphasized that before acting on such exceptions, the ACO must carefully scrutinize each application for incentive pay or per diem granting such pay or per diem only where justified by all the circumstances and in such amounts as may be the minimum necessary for obtaining qualified, professional, or specially skilled personnel. It must be further empha-

sized that a frequent review of such acceptances must be made with prompt termination and modification as changing conditions warrant.

Subpart J—Notice of Transfer of Procurement Responsibilities for Existing Contracts

A new Subpart J is added as follows:

§ 1054.1002 General.

(a) When circumstances necessitate transferring procurement responsibility for a contract from one buyer to another or from one activity to another, the chief of the buying section receiving or retaining the contract will:

(1) Send a letter of notification in triplicate to the APD or AFPRO having administrative jurisdiction, advising of the contractor's name, contract number, and current buyer's name and organizational code.

(2) Furnish a copy of the letter, as applicable to: (i) AMCASC (LMPMG), (ii) AMCBMC (LBPC), (iii) AMA directorate of procurement and production, or (iv) AF depot directorate of procurement and production.

(3) The ACO will forward a copy of each such notice received to the contractor.

(b) Recipients under paragraph (a) (2) of this section, will correct their records from the information contained in the copy of the letter.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

Subpart K—Reporting Contractors Involved in Bankruptcy, Receivership, Assignment for the Benefit of Creditors, Other Types of Insolvency Proceedings and Probate Proceedings

A new Subpart K is added as follows:

Sec.

1054.1100 Scope of subpart.

1054.1101 Applicability of subpart.

1054.1102 Reporting institution of bankruptcy, receivership, insolvency, and probate proceedings.

1054.1103 Substantiating documents to support certificate of indebtedness.

AUTHORITY: §§ 1054.1100 to 1054.1103 issued under sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314.

§ 1054.1100 Scope of subpart.

This subpart covers procurement responsibilities in connection with the subject of this subpart.

§ 1054.1101 Applicability of subpart.

This subpart applies to all AF procurement activities.

§ 1054.1102 Reporting institution of bankruptcy, receivership, insolvency, and probate proceedings.

(a) Prompt notification is required if an AF contractor is involved in bankruptcy, receivership, assignment for the benefit of creditors, or any other type of insolvency or probate proceedings. Immediate transmission of information concerning the institution of such proceedings will insure that a proof of claim

is filed by the Air Force within statutory time limitations.

(b) If a contracting officer is informed or is aware of the institution of bankruptcy, receivership, assignment for the benefit of creditors or other type of insolvency proceedings or probate proceedings involving an AF contractor, he will immediately send notice by electrically transmitted message of such proceedings directly to the Contract Financing Division, Directorate of Accounting and Finance, Hq USAF, and to Chief, Tax and Litigation Division, Office of the Judge Advocate General, Hq USAF, Washington, D.C. The notice will include the name of the contractor, address, type of proceedings, court in which proceedings are held, and contracts held by the contractor (see AFR 110-3). If information of such proceedings is first received by the accounting and finance office, that office will submit the above information directly to the Contract Financing Division, Directorate of Accounting and Finance, and to Chief, Tax and Litigation Division, Office of the Judge Advocate General. A copy of the notice will be forwarded to the contracting officer, accounting and finance office whose funds are cited in the contract, or the accounting and finance office cited to make payment, as appropriate.

§ 1054.1103 Substantiating documents to support certificate of indebtedness.

Immediately after submitting the notice prescribed in § 1054.1103 or receipt of a copy from the contracting officer, or accounting and finance office, the accounting and finance office whose funds are cited in the contract will submit to Contract Financing Division, Directorate of Accounting and Finance, Hq USAF, the following information and evidence to support certificates of indebtedness and for filing proof of claim. The appropriate contracting office and accounting and finance office will render assistance and cooperate closely so that a complete, accurate, and timely report will be furnished. In the specific cases listed below, the following data will be furnished:

(a) *Default in performance of Government contracts resulting in excess costs to the Government.* A complete report of the facts pertaining to the default including copies of pertinent correspondence, notice of termination, citation to the terminated and replacement contracts and all amendments thereto, citation to payment and transportation vouchers by number and date, name of the accounting and finance office and accounting and disbursing station symbol number, number of bills of lading, and name of carrier involved. If unnumbered contracts are involved, certified copies should be furnished.

(b) *Liquidated damages.* A complete report of the facts and circumstances pertaining to the indebtedness including a finding of fact by the contracting officer, citation to the contract involved, accounting and finance officer's vouchers covering payments under the contract, and a computation of the amount due as liquidated damages.

(c) *Price redetermination.* Citation to the contract involved including the modification or supplemental agreement covering such price redetermination. If the determination is unilateral, citation to all payment vouchers under the contract should be furnished. If the determination is bilateral, only a copy of the modification or supplemental agreement is necessary.

(d) *Overpayments.* (Under contracts such as, but not limited to, payments made for supplies which are subsequently rejected.) A complete report of the facts concerning the subject overpayment including citations to the contract involved, the accounting and finance officer's vouchers on which such payments were made, and transportation vouchers, if transportation costs were incurred in connection with shipment of such supplies.

(e) *Unliquidated progress payments.* A complete report of the facts concerning such indebtedness, citation to the contract involved, an itemized computation of amount due, and a complete citation to any transportation vouchers which cover any shipping costs incurred in connection therewith.

(f) *Rental of property and equipment.* An itemized computation of the unpaid rental as of the date of filing petition if such date is of record, and a separate statement if rental accrued thereafter; citation to the lease involved and a copy of the notice of termination if lease provided for handling; transportation or other costs by the debtor, a computation of such costs, with citation to any contract entered into such services and vouchers covering payment therefor should be furnished.

(g) *Excess usage of Government materials.* A complete report of the facts concerning indebtedness, citation to the contract involved, itemized computation of amount due, and a complete citation to any transportation vouchers which cover any shipping costs incurred in connection therewith.

(h) *Sale of Government property.* If a numbered contract is involved the contract number will be furnished. If sold under an unnumbered purchase order, a certified copy will be furnished together with copies of any invoices rendered in connection therewith.

(i) *Excessive profits. (Renegotiation indebtedness.)* If the indebtedness is based on an unilateral determination, a copy of the unilateral order by the Renegotiation Board together with copy of tax credit letter issued by Internal Revenue Service, Department of the Treasury, will be furnished. If the indebtedness is based on a Renegotiation Agreement, a citation to such contracts will be furnished together with copy of the tax credit letter involved.

Subpart N—Payment of Fixed Fee Under CPFF Contracts

1. Section 1054.1402 is revised to read as follows:

§ 1054.1402 General.

The fixed fee payable to contractors under CPFF contracts essentially rep-

resents profit without risk. The rate of fee that may be paid to contractors under Government contracts is limited by law, and is fixed when the other terms of the contract are negotiated and agreed upon. Most CPFF contracts provide that the Government will currently reimburse the contractor for expenditures that are made according to the contract as may be approved or ratified by the contracting officer. A specified percentage of the fixed fee due under the contract is also to be paid, as it accrues, in monthly installments based upon the percentage of completion of work as determined from estimates made and approved by the contracting officer. CPFF contracts also provide that upon completion of all the work, its final acceptance, and the execution and delivery of a release by the contractor, any unpaid balance of the fee to which the contractor may be entitled will be paid to him.

2. In § 1054.1403 revise the introductory text of paragraphs (a), subparagraph (1) (i) to (iii); delete chart following paragraph (a) (3) (ii) (a); and revise paragraph (b):

§ 1054.1403 Formulas for estimating percentage of completion of work and fixed fee due.

(a) *Supply contracts.* Upon request of a contractor, but not more often than once a month, the ACO will make an estimate of the percentage of completion of work accomplished using one of the formulas set forth below:

(1) * * *

(i) Fixed fee due for prime units completed and accepted under the contract will be computed by dividing the total fixed fee in the contract for these units by the total prime units and multiplying the resulting figure by the number of units completed and accepted under the contract during the period.

(ii) Fixed fee due for subsidiary items on the contract, such as spare parts, tool kits, ground handling equipment, etc., will be established by using one of the two following methods, whichever total the lesser: (a) The percentage expressed by the ratio of costs of accepted subsidiary items to the total estimated contract cost of subsidiary items multiplied by the total fee for subsidiary items, or (b) the percentage expressed by the ratio of elapsed months of the delivery period to the total months of the delivery period for the subsidiary items multiplied by the total fee for subsidiary items.

(iii) Total fee payable for a given period will be the total accrued fee for prime and subsidiary units, as computed above, less fee previously paid.

(b) *Research and development contracts.* Upon receipt of a voucher claiming fixed fee, the ACO assigned to administer the CPFF research and development contract will estimate the percentage of completion of work accomplished by the contractor during the billing period, using the formula set forth in this paragraph.

3. Section 1054.1406 is added as follows:

§ 1054.1406 Verification.

(a) The computation of the percentage of completion as determined by the ACO will be submitted for verification to the Government auditor, cost analyst, or other qualified personnel designated by the ACO. The person verifying the computation will notify the ACO, in writing, as to the result of the check.

(b) Where the percentage of completion cannot be resolved by means of formulas suggested in § 1054.1403, or otherwise by administrative field personnel, the advice and recommendation of the appropriate Government project engineer will be requested. Inquiries to the project engineer on any specific contract should be limited to 90-day intervals.

Subpart O—Preparation and Issuance of Shipping Instructions

A new Subpart O is added as follows:

Sec.

1054.1500	Scope of subpart.
1054.1501	Applicability of subpart.
1054.1502	Application.
1054.1503	Responsibilities.
1054.1504	Shipping instruction activities.
1054.1505	Contract administrative activities.
1054.1506	Initiators of AFPI Form 44.

AUTHORITY: §§ 1054.1500 to 1054.1506 issued under sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314.

§ 1054.1500 Scope of subpart.

This subpart sets forth procedures for preparing and issuing shipping instructions and amended shipping instructions.

§ 1054.1501 Applicability of subpart.

This subpart applies to the Directorate of Procurement and Production, Hq AMC, and AMC field procurement activities, AMC Aeronautical Systems Center and AMC Ballistic-Missiles Center.

§ 1054.1502 Application.

(a) This subpart applies to movements of material and equipment, on contracts, from contractors' facilities to specified destinations, and pertains to:

(1) Contracts or purchase orders specifying shipping instructions to be issued later.

(2) Contracts or purchase orders containing no reference to shipping instructions and their issuance.

(3) Change of existing shipping instructions.

(4) Call or open contracts.

(5) Original and amended shipping instructions on AF procurement for the Navy, moving on AF bills of lading and not falling within the provisions of paragraph (b) (1) of this section.

(6) In cases of emergency only, items on letter contracts and notices of award and the methods of packaging thereof.

(7) Procedures relative to change of packaging occasioned by shipping instructions, and to release of Government routings or amended routings when supplies are procured f.o.b. carrier's equipment.

(b) The following are exceptions to the provisions of this subpart:

(1) AF contracts that include the following provisions and are written solely to procure material for the Navy.

(i) Original shipping instructions, if not contained in this contract, and amendments to existing shipping instructions for material on this contract may be issued direct to contractor by (unit symbol) of (applicable Navy bureau and/or Navy office).

(ii) The contractor will request Government Bills of Lading and Routings (where contract provides for shipment fob carrier's equipment) from the transportation activity shown in contract schedule. Contractor will attach a copy of communications from (applicable Navy bureau or office) to AMC Form 316, "Application for Government Bill of Lading."

(2) Shipping instructions for base procurement, as defined in § 1001.201-54 of this chapter.

(3) Shipping instructions for complete aircraft, missiles and target drones (excluding guided aircraft rockets) in Federal Supply Class 1410, 1510, 1520 and 1550, as listed in Appendix 9, AMCR 23-1, will be issued by the Aircraft and Missiles Branch (MCSDD), Directorate of Supply, Hq AMC, direct to AF plant representative office.

(4) Movement of all Government property (USAF) other than that material or equipment which is provided first movement transportation or the movement of material and equipment from plants of overhaul contractors to various destinations under the provisions of paragraph (a) of this section.

§ 1054.1503 Responsibilities.

(a) *Contracts executed at AMC Aeronautical Systems Center (LMC).* (1) Contracting officers of Shipping Instructions Section (LMESDS), will issue original and amended shipping instructions for GFAE end items and all other shipping instructions with the exception of those referred to in subparagraphs (2) and (3) of this paragraph, and paragraph (d) of this section.

(2) Designated contracting officers of the Inventory Management (end article) depot will accomplish the following for property for which Directorate of Materiel Management has distribution and storage responsibilities:

(i) Issue original consolidated shipping instructions for items provisioned on exhibits and amendments under airframe and missile contracts, which have not been designated weapon systems.

(ii) Issue original and amended shipping instructions for all items provisioned under contracts for GFAE, except amended shipping instructions on contracts with aeronautical equipment manufacturers listed under paragraph (d) of this section.

(iii) When specifically directed by LMESDS, issue original and amended shipping instructions on other AMCASC executed contracts.

(3) Designated contracting officers of the logistic support management depots will issue original and amended shipping instructions (except amended shipping instructions referred to under paragraph (d) of this section) for all items provisioned on contracts for airframe and

missiles which have been designated "Weapon Systems" to be supported under "Weapon System Supply Procedures" according to Volume XX and XXIII, AFM 67-1.

(4) Designated contracting officers of inventory management depots will issue amended shipping instructions for their respective supply classes, provisioned under airframe and missile contracts which have not been designated weapon systems with the exception of those referred to in paragraph (d) of this section.

(b) *Contracts executed at AMA's or depots.* Designated contracting officers will issue original and amended shipping instructions (except amended shipping instructions referred to in paragraph (d) of this section) on:

(1) Contracts executed at prime AMA's and depots, (2) contracts assigned for complete buying and administrative jurisdiction, and (3) other AMCASC executed contracts as specifically directed by LMESDS.

(c) *Contracts executed by AMC ballistic missiles center (LBC).* Original and amended shipping instructions on these contracts will be issued by AMCBMC contracting officers or their duly designated representatives.

(d) *Administrative contracting officers of certain AFPRO's.* Administrative contracting officers of the following listed AFPRO's are authorized to: (1) Issue amended shipping instructions upon receipt of AFPI Form 44, "Request for Issuance of Shipping Instructions," from Logistic Support Manager on contracts referred to in subparagraph (4) of paragraph (a) of this section, (2) issue amended shipping instructions upon receipt of AFPI Form 44 from inventory management depots on other LMC aircraft-missile contracts, depot executed contracts and/or contracts assigned for complete buying and administrative jurisdiction and/or shipping instructions responsibility, (3) make whatever changes are deemed necessary in the AFPI Form 44 before issuing the shipping instructions, and (4) notify requester of changes made.

Lockheed Aircraft Corp., Burbank, Calif.
North American Aviation, Inc., Los Angeles, Calif.

Douglas Aircraft Co., Inc., Santa Monica, Calif.

NORAIR Division, Northrop Corp., Hawthorne, Calif.

Convair Division, General Dynamics Corp., San Diego, Calif.

Convair Division, General Dynamics Corp., Fort Worth, Tex.

Republic Aviation Corp., Farmingdale, L.I., N.Y.

Boeing Airplane Company, Wichita, Kans.
Boeing Airplane Company, Seattle, Wash.

Allison Division, General Motors Corp., Indianapolis, Ind.

General Electric Co., Evendale Plant, Cincinnati, Ohio.

Hughes Aircraft Co., Culver City, Calif.

§ 1054.1504 Shipping instruction activities.

(a) Shipping instructions may be issued by teletypes, telegrams, letters, and telephone calls by authorized personnel according to § 1054.1503. Shipping instructions furnished by means of telephone calls will be treated as formal instructions prior to receipt of written in-

formation. Contracting officers who are responsible for issuing shipping instructions will expedite written confirmation.

(b) Contracting officers responsible for issuing shipping instructions will issue Government routings or amended routings to contractors for supplies procured f.o.b. carrier's equipment at the request of cognizant transportation officer.

(c) Amended shipping instructions against open or call contracts will quote applicable production list or call number.

(d) Cancellation of items, reduction of quantities, or a substitution of items listed on calls may not be made pursuant to this subpart.

(e) Minimum information to be included in shipping instructions:

(1) Date and serial number.
(2) Prime contractor's name and address.

(3) Complete contract number including purchasing activity code, and (if applicable), number of supplemental agreement, change order, contract change notification, amendment, exhibit, call, or production list.

(4) Federal Supply Class and identity of affected items.

(5) Complete destination, including accountability.

(6) Deduction point (if applicable).

(7) Markings for packages.

(8) Type of packing and packaging.

(9) Distribution of shipping instructions.

(10) Signature of contracting officer.

(11) Distribution of DD Form 250 to monitoring activities (if applicable).

(f) Requirement schedules for material at destination, or order of shipment desired may be incorporated in the shipping instructions, or may be forwarded by wire or letter, without clearing through the contracting officer issuing shipping instructions. If incorporated in the shipping instruction, they may be changed by the component responsible for property distribution without issuance of amended shipping instructions when the total quantity for shipment to specific destinations remains as specified in the shipping instructions. Nothing contained herein authorizes the modification of contract delivery schedules through administrative action.

(g) Changes in packaging will be incorporated into shipping instructions by:

(1) Transferring the pertinent packaging data to an MCP 71-163 (reproducible master) and indicating in the shipping instructions that packing and packaging will be in accord with the attached MCP 71-163. All copies of the shipping instructions distributed will have attached a copy of the reproduced packaging MCP 71-163, or (2) including the pertinent detail on the shipping instruction master, appropriately identified as "Packing" and "Packaging".

(h) The opinion stated by the packaging control officer as to increase and/or decrease in packaging costs of the contract will be suitably annotated on copies of the shipping instructions which are routed to the administrative contracting officer and on the record copy.

(i) Copies of shipping instructions will be distributed according to requirements of activities and will include

copies for office of contract administration; three copies for initiator; one copy for the monitoring activity; one copy for consignee of the shipment, unless consignee is an MAP recipient country. When amended shipping instructions are issued on a contract which provides for acceptance at destination, internal procedures will be established between the issuing office and the applicable contract distribution office to insure that the consignee specified in the shipping instructions (except when consignee is another contractor) is furnished a copy of the applicable contract and appropriate changes. A copy of shipping instructions making packaging changes, and of all amended shipping instructions on fob destination deliveries will be routed to the cognizant administrative contracting officer by separate distribution from that of other copies forwarded to administrative activities.

§ 1054.1505 Contract administrative activities.

Contract administrative activities will:

(a) Cause release of shipments from contractors' plants according to existing shipping instructions, including shipping instructions furnished by telephone. When applicable, the order of assigned priority will be followed and shipments within the same triangle priority will be determined by precedence.

(b) If not otherwise specified, disposition of odd quantities of items, resulting from percentage shipping instructions, including those in contracts, will be to the prime inventory management depot.

(c) Obtain from the contractor a proposal for contract price adjustment for changed packaging requirements, or, in the case of fob destination procurements, for changed destinations resulting from amended shipping instructions. Except where the ACO has pricing responsibility according to § 1003.801-2(a) of this chapter, the ACO will forward the proposal for price change with his recommendation to the procuring contracting officer for contract amendment. The ACO will not delay shipment according to the revised shipping instructions pending completion and formalization of negotiations.

§ 1054.1506 Initiators of AFPI Form 44.

(a) When original or amended shipping instructions are required to be issued, initiators of procurement or activities responsible for property distribution will carefully prepare AFPI Form 44, "Request for Issuance of Shipping Instructions," in duplicate and direct it as necessary to comply with § 1054.1503. Where urgency requires, shipping instructions may be requested by telephone or electrically transmitted messages. If requested by telephone, a confirming AFPI Form 44 will be forwarded to the shipping instruction activity within 24 hours. Electrically transmitted requests will state "Request Shipping Instructions" or "Amended Shipping Instructions" and be arranged in paragraph form, each paragraph prefixed by the

same number as the equivalent block on AFPI Form 44.

(b) Transportation officers will accomplish AMC Form 354A, "Transportation Instructions," as an attachment to AFPI Form 44, specifying the number of items, or the extent to which the routings apply, when requesting issuance of Government Routing Instructions.

(c) All AFPI Forms 44 initiated for the purpose of providing destination or change of destination for supplies procured fob carrier's equipment will be routed through the cognizant transportation officer for attachment of AMC Form 354A covering the items for which shipping instructions are being requested.

(d) If packaging required by the contract must be revised when requesting shipping instructions, the AFPI Form 44 must be routed to the cognizant packaging control officer for inclusion of revised packaging instructions. AMC Form 163, "Preservation, Packaging and Packing Requirements," may be used for this purpose, or the packaging control officer may indicate on AFPI Form 44 the pertinent packaging data by rubber stamp with appropriate information checked as described in AMCM 71-1. The packaging control officer will state on AFPI Form 44, by stamp or otherwise, whether packaging costs included in the contract price will be changed by the revised packaging instructions.

(e) When distribution is controlled by Directorate of Materiel Management, AMA/depot, each AFPI Form 44, initiated to request amended shipping instructions, will:

(i) Include applicable supply priority and the precedence established for consignee activity according to Priorities of Programmed Units (PFU) documents, except AFPI Forms 44 covering instructions for:

(i) Direct shipments to storage sites.

(ii) Shipments to be made in order of priority listed.

(iii) Shipments to be made following the completion of shipping instructions on hand which carry a priority rating, 1 through ---- priority.

(2) Be limited to: (i) Requirements bearing triangle priorities 1, 2, 3, 6, 7, 8 and on which the contract authorizes or requires delivery within 45 days after release of shipping instructions, (ii) items which because of bulk or weight can be more economically shipped to final destination, or (iii) changes in destination brought about through transfer of storage and distribution responsibility.

(f) When copies of DD Forms 250 are required by monitoring activities assigned to special projects (other than prime inventory management), the activity will be identified as a monitoring activity (insert complete address) and a requirement stated on AFPI Form 44 for mailing of desired number of copies of DD Form 250.

(g) AFPI Forms 44 which refer to a previous request for shipping instruction will state the shipping instruction number (where known), the reference number of the previous request.

Subpart P—Administration of Flight Test or Other R&D Programs at Test Sites

1. Sections 1054.1600 to 1054.1602 are added as follows:

§ 1054.1600 Scope of subpart.

This subpart outlines responsibilities in connection with flight test and other research and development programs conducted under AF contracts at test sites. It also prescribes procedures for furnishing and controlling Government property to contractors at those sites.

§ 1054.1601 Applicability of subpart.

This subpart applies to all AF contracts requiring flight test or other research and development work to be performed at test sites.

§ 1054.1602 General.

AF contractors conducting tests at test sites occasionally require various materials (gasoline, fuel, oil, raw stock, etc.) and services (labor, direct and indirect) from the Government. This subpart prescribes procedures for: (a) Insuring that the Government receives adequate consideration for costs involved in furnishing contractors with such materials and supplies, and (b) securing and controlling Government property furnished contractors at the test sites.

2. Section 1054.1603 is revised to read as follows:

§ 1054.1603 Definition.

For the purpose of this subpart, a "test site" is a Government-owned and operated facility, such as Edwards AF Base, where aircraft are flight tested, or where other R&D projects are conducted by a contractor under the provisions of an AF contract.

3. In § 1054.1604, the present material is designated paragraph (a) and the following is added thereto:

§ 1054.1604 Responsibilities.

(1) AMC ACO's are stationed at Edwards, Patrick, Holloman, Vandenberg, and Eglin AF Bases, to whom secondary administration will be transferred.

(2) If programs are to be conducted at other test sites, where there is no resident AMC ACO, the services of other resident AF contracting officers and/or a project officer will be employed in connection with specific duties and responsibilities by the office having primary administration responsibilities.

(b) If administrative responsibility is retained, the contracting officer assigned administration of the prime contract will:

(1) Request a project officer be designated as representative of the contracting officer for the specific contract(s) with specific duties, responsibilities, and actions to be accomplished under the designation. The project officer designated should be an engineer or other technically qualified person thoroughly cognizant with the test function.

(2) Through the designated project officer, furnish the appropriate base

supply officer: (i) Industrial property account identification and control number and address of the cognizant property administrator, (ii) lists of Government property to be furnished the contractor under the appropriate contract(s) or, if impossible to identify specific items required under the contract(s), state the type of aircraft or equipment to be involved in the program, and (iii) a copy of the contract when industrial property is involved.

(3) Furnish the designated project officer with a copy of the contract and other pertinent information regarding its terms and agreements.

(c) If secondary administration has been transferred, the contracting officer assigned secondary administration will take the action set forth in paragraph (b) (2) of this section. Appointment of a project officer, as stated in paragraph (b) (1) and (3) of this section normally will not be necessary.

(d) The project officer assigned specific duties at the test site will maintain continuous close surveillance of the test programs of the contractors, performing contractual duties authorized in writing by the ACO. These duties will normally be, but not limited to:

(1) Approve or disapprove requests of the contractor for Government property or other assistance, according to the terms of the contract(s).

(2) Maintain records and make reports to keep the contracting officer informed of the progress of the contractor's activities.

(3) Recommend to the contracting officer the amendment of contracts to provide for furnishing materials, equipment, or other assistance when it is determined that material, equipment, and assistance necessary for performance of the program are not covered by the existing contract(s).

(4) Process contractor requests for material and/or services which will be included in SF 1080 reimbursement vouchers. Where individual contractor requests are estimated to cost over the sum total of \$5,000, the project officer will submit such requests to the AMC Test Site Office (AMCTSO) for appropriate action.

(e) Buyers will:

(1) Review all programs under which test or research and development programs have been or are being conducted at AF test sites to determine that contractual coverage is provided for materials, equipment, and services to be furnished by the Government during the program.

(2) Amend AF contracts where necessary to cover furnishing materials, equipment, and services to contractors during the programs.

(3) In negotiating future contracts or supplemental agreements requiring flight tests and other research and development programs at a test site, insure that the contract adequately covers specific materials, equipment, and services to be furnished by the Government and the contractor in the performance of such programs.

(4) Obtain concurrence from the test site prior to definitizing contracts or

supplements thereto which obligate the site to support the contract requirements.

Subpart S—Performance Data on MPSA Contractors

1. The title of Subpart S is revised as shown above.

2. Sections 1054.1900, and 1054.1901 are added as follows:

§ 1054.1900 Scope of subpart.

This subpart prescribes procedures for compiling performance data on Military Petroleum Supply Agency (MPSA) contractors and furnishing this to the Renegotiation Board.

3. Section 1054.1902 is revised to read as follows:

§ 1054.1902 General.

To compile a complete performance report, it is necessary to supplement information available to the MPSA with that available to personnel having quality control jurisdiction over the contractor's plant.

4. Section 1054.1904 is revised to read as follows:

§ 1054.1904 Use of checklist.

The performance checklist in § 1054.1909 will be used by the air procurement district as a guide in determining performance data factors.

5. In § 1054.1905, paragraph (a) is revised to read as follows:

§ 1054.1905 Source of data.

(a) Prime contractor performance data will be compiled from AF records. In no instance should information concerning the prime contractor be obtained from prime contractor personnel.

§ 1054.1911 [Redesignation].

6. Section 1054.1911 is redesignated 1054.1909.

Subpart T—Supervision of Factory Training Courses

Section 1054.2003 is added as follows:

§ 1054.2003 Responsibility.

Where an Air Training Command officer is not assigned to exercise surveillance over the program, the AF plant representative or the AF officer in charge, in addition to administration of the AF contract will be responsible for performing the following functions:

(a) Ascertain that contractors conduct training programs for the period of time and the number of students specified by the contract terms.

(b) Maintain attendance records and, as a representative of each student's command, exercise such administrative supervision over students as is determined necessary to assure satisfactory attendance. This will include: (1) Authorizing all absences from training classes for sickness or other justifiable reasons, and (2) informing the activity having command jurisdiction over each student as to his attendance record.

Subpart U—Plant Seizure Program

Subpart U is deleted.

Subpart V—Debts Owed by Contractors; Deferred Payments

A new Subpart V is added as follows:

Sec.	
1054.2200	Scope of subpart.
1054.2201	Applicability of subpart.
1054.2202	Determination of debt.
1054.2203	Cash payment.
1054.2204	Offset.
1054.2205	Determination of appropriate accounting and finance office.
1054.2206	Deferred payments; 90 days or less.
1054.2207	Deferred payments; unusual.
1054.2208	Reports; hold-up list.

AUTHORITY: §§ 1054.2200 to 1054.2208 issued under sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314.

§ 1054.2200 Scope of subpart.

This subpart covers procurement responsibilities in connection with ascertaining and arranging for collection of debts owed by contractors.

§ 1054.2201 Applicability of subpart.

This subpart applies to all AF procurement activities.

§ 1054.2202 Determination of debt.

(a) Debts referred to in this subpart include but are not limited to:

(1) Damages or excess costs incident to defaults in performance.

(2) Breach of contract obligations concerning progress payments, advance payments, or Government-furnished property.

(3) Delinquency in rentals.

(4) Expense of correcting defects.

(5) Overpayments incident to errors in quantity, deficiencies in quality, or errors in billing.

(6) Retroactive price reductions resulting from contract provisions for price redetermination or for determination of prices under incentive type contracts.

(7) Delinquencies in payment by charter and contract carriers for sale of aviation fuels and oil.

(b) The amount of any indebtedness of contractors to the Government must be ascertained promptly to minimize the possibility of loss from later inability to collect. Delays in determining amounts due or in obtaining timely payment are in effect extensions of credit to contractors.

(c) The amount of a debt due to the Government and the time it is established will vary according to type of contract involved.

(1) For example, in a price-redetermination type contract, the amount due may be determined by negotiation or fixed by a unilateral determination by the contracting officer and the debt will be established when demand is made upon the contractor for payment.

(2) On the other hand, the amount due and the date the debt is established may be governed by the terms of the contract itself, as in the case of a lease contract providing for a fixed rental rate payable at stated intervals.

(3) In any situation full and fair consideration will be given to the merits of the Government's claims and the merits of all known claims of the contractor,

for adjustment or otherwise, that may be allowable to the contractor under the contract, and that would serve to reduce the amount to which the Government is fairly entitled.

(d) When it is necessary to negotiate or otherwise determine the amount of a debt, fixing the amount due the Government will not be held up or delayed because of uncertainties as to the allowability of other claims of the contractor, or uncertainty as to the amount of such claims. If there are such uncertainties, or if the contractor: (1) Is delinquent in furnishing pertinent information required to be furnished by him pursuant to the contract, (2) fails to negotiate expeditiously and in good faith according to any provision of the contract requiring such negotiations, or (3) fails to promptly execute a supplemental agreement reflecting the result of negotiations, the appropriate contracting officer will promptly make proper finding and determination, fixing the amount of the contractor's indebtedness, as permitted or not prohibited by the contract and supported by sufficient evidence.

(e) The contracting officer will promptly initiate the necessary action to process supplemental agreements when applicable. All contractual documents which provide for recoupment of money from the contractor will include a clause providing for a specific method of payment through a tender forthwith of check or offsetting credit, except to the extent deferral of payments is specifically authorized according to this subpart. In no case will an "either-or" clause providing for alternative methods of payment by the contractor be used. Whether by check in full, credit memoranda, or deferred payments, the contractual instrument will include a requirement that the contractor send copies of the transmittal letter, giving full details of the transaction, to the ACO and the appropriate accounting and finance office.

(f) A copy of all contractual instruments which relate to the amount and terms of an indebtedness will be furnished immediately and directly to the accounting and finance office(s) responsible for payment of contracts with such contractor and to each additional accounting and finance office(s) having funds cited in the contractual instrument. A copy will also be furnished to the ACO if he is not a party to the negotiations. Where a copy of basic contractual instrument or contractual modification is destined for the accounting and/or finance office(s) of the Army or Navy, route the document through the PR-MIPR management activity of the purchasing installation that has the responsibility for the involved basic contract rather than direct to the Army or Navy accounting and/or finance office(s).

§ 1054.2203 Cash payment.

(a) As a general rule, amounts due from contractors to the United States are expected to be repaid in cash, in one sum upon receipt of demand or invoice. The formal demand for immediate payment will be made on the contractor by

the contracting officer as soon as the amount owed to the Government under a contract has been determined, and will contain notice that such payment will be sent to the appropriate accounting and finance office(s). (See § 1054.2205.) Invoices for amounts owed to the Government for supplies and services furnished from AF resources to accommodate contractors in the performance of contracts or scheduled recurring payments due from contractors such as those normally due under lease agreements or under approved deferred payment plans will be submitted to the contractor by the designated accounting and finance office. The invoice will contain a request that remittance be sent to the accounting and finance office. A copy of the invoice will be immediately furnished to the appropriate ACO.

(b) Upon formal demand for payment of an indebtedness, the appropriate contracting officer will promptly notify the responsible accounting and finance office(s) and, if appropriate, the ACO. The notice will indicate the date the contracting officer made demand on the contractor and except as stated in paragraph (c) of this section will advise the accounting and finance office to withhold payment from the contractor of any sums due the contractor pending receipt of such cash payment.

(c) If the contracting officer is reasonably satisfied that full payment will be made in cash within 30 days after demand or if not paid in cash within the 30-day period that the full amount can be recovered by offset of payments expected to be made on the contract within the next 60-day period, he may defer the withholding of payments for the first period of 30 days following demand for payment by so advising accounting and finance office. If a debt arises automatically at stated intervals by terms of the contract, such a determination will be made only if the contractor defaults in payment.

(d) Appeals by contractors will not suspend or delay action for withholding.

§ 1054.2204 Offset.

(a) Whether instructions to withhold payments under the specific contract under which the debt arose were issued or not, if within 30 days after maturity of a debt, whether the due date is established by the terms of the contract (e.g., rental contracts) or by formal demand for payment, full collection has not been made or a supplemental agreement has not been executed to provide for collection within not more than 90 days, the accounting and finance office will automatically apply payments under the contract to reduce the indebtedness. The amount withheld from payment, if any, and all future amounts becoming due under the contract will be offset until the indebtedness is satisfied.

(b) If the contractor within 30 days after formal demand for payment makes a definite proposal for unusual deferred payments (over 90 days), pending decision of the Deputy for Contract Financing, Office of the Assistant Secretary of the Air Force, the Financial Branch (MCPMF), Hq AMC, can issue

instructions to the accounting and finance office to withhold or off-set payments under the contract or waive such action to the extent considered prudent and in the best interests of the United States.

(c) If the contractor fails to satisfy fully the debt within 30 days from demand or within that time fails to make arrangements for deferred payments, the accounting and finance office designated to make payment will immediately notify the accounting and finance office whose funds are cited in the contract, the procuring contracting officer, and the ACO. If the contractor fails to live up to the terms of an approved deferred arrangement, the accounting and finance office designated to make payments will notify MCPMF in addition to the other interested officers. The electrically transmitted message will contain the name and location of the accounting and finance office, name of the contractor, number of the contract, nature of indebtedness, amount of debt, and a citation of the appropriation to which collection is to be credited. If any of these offices have information, or can readily obtain information that the delinquent contractor has other contracts with the same or other installations of the Air Force, or the company has contracts with other departments or agencies of the Government that may lead to payments, such information will be immediately relayed to the appropriate accounting and finance office. If the accounting and finance office is satisfied that the full amount of the debt cannot be recovered by offset of payments expected to be made on the contract, an immediate request will be made directly to such department or agency, or accounting and/or finance office of such agency, if known, to withhold any payments to effect collection of the debt on the contract under which the contractor's indebtedness arose.

(d) Government personnel will cooperate and assist in the fulfillment of such requests, giving due regard to the effect of abrupt cessation of payments on the operations of the contractor, performance of the contracts, and the interest of the United States in such contracts. In all such cases the rights of assignees under the Assignment of Claims Act of 1940, as amended, and under contract provisions pursuant thereto, will be scrupulously respected.

(e) In making these requests and in complying with such requests, care will be taken at all times to avoid overcollection or duplicate collection. Checks to liquidate indebtedness pursuant to such requests will be drawn payable to the "(contractor's name or Treasurer of the United States)" and sent to the accounting and finance office designated to make payment on the contract under which the indebtedness arose, and will be accompanied by a statement sufficient to identify the indebtedness to which it is to be applied. The agency making the deduction will give appropriate notice of the accomplishment of the deduction to the contractor concerned and the accounting and finance office. The accounting and finance office, in turn, will

give notice to the ACO and the accounting and finance office(s) whose funds are cited in the contract.

§ 1054.2205 Determination of appropriate accounting and finance office.

The accounting and finance office to which the contracting officer will send copies of notices of demand for payment of a claim, will be the one whose station number is cited as an integral part of the accounting classification cited in the contract. The appropriate accounting and finance office is stated in the contract, except as follows: (Accounting and disbursing station numbers are contained in Chapter 11, AFM 170-7.)

(a) On contracts executed by one AF activity where the contents of the file or the citation of funds indicates that the contract was transferred to another AF activity, cite the accounting and finance office currently responsible for the fiscal administration of the contract.

(b) On contracts executed by one AF activity containing citation of funds of another AF activity, cite the accounting and finance office responsible for fiscal administration of the contract.

(c) On contracts where multiple funds are cited with more than one station number, cite the accounting and finance office whose station number is cited as a part of the accounting classification.

§ 1054.2206 Deferred payments; 90 days or less.

Under certain circumstances deferred payments not to exceed 90 days from the date of maturity of the debt may be permitted upon proper application by the contractor.

(a) A contractor desiring to pay an indebtedness over an extended time not to exceed 90 days must submit a request for such deferral within 30 days from the date of maturity. The contractor's request, whether directed to the contracting officer who issued demand for payment or to the accounting and finance office which submitted invoice for payment, will be sent immediately to AMC (MCPMF). If the request is received from other than the ACO, MCPMF will immediately notify him of the request.

(b) Prior to approval of a deferred payment arrangement, the Financial Branch (MCPMF) will request information according to appropriate instructions contained in §§ 82.27 and 82.28, Subchapter G of this title which supports an analysis of the contractor's financial condition, existing or available credit arrangements, production and purchasing schedules, defense contract backlog, cash resources and projected cash receipts and requirements, and the effect of full immediate payment on the contractor's operation.

(c) The information furnished by the contractor must be adequate to permit an evaluation of the above factors and to show to the satisfaction of MCPMF that immediate payment in full or complete offset of all future payments would seriously impair the contractor's ability to continue operations or jeopardize performance of the contractor of other contracts or subcontracts for the national defense, and that orderly collection can

be effected fully within not more than 90 days from the date of the demand for payment.

(d) Subject to the provisions above, MCPMF may authorize a supplemental agreement with the contractor setting forth the terms and conditions for such deferred payments. After a decision on the contractor's request has been reached, MCPMF will immediately notify the contracting officer responsible for preparing the supplemental agreement. The supplemental agreement may provide for cash payments in stated installments, for offset of stated amounts or stated percentages from future payments, or for combined payments and offsets.

(e) A copy of the supplemental agreement will be furnished MCPMF after execution. MCPMF will be notified by the cognizant contracting officer of receipt of payments under the supplemental agreement.

§ 1054.2207 Deferred payments; unusual.

(a) Unusual situations may arise where the best interest of the Government may be served by deferring collection of contract indebtedness for a period longer than 90 days. A contractor will have up to 30 days after maturity of debt to make a definite proposal for payment over a period of more than 90 days from the due date of the debt for consideration by MCPMF, and to submit such information to support the proposal as MCPMF may request. Upon receiving a proposal where the ACO has not been a party to the transaction, MCPMF will promptly notify the ACO for his immediate comments, if any.

(b) The information must demonstrate to the reasonable satisfaction of MCPMF that:

(1) The contractor will be unable to pay the debt within 90 days from date of demand.

(2) Full payment within such 90-day period, if enforced, would either (i) Precipitate bankruptcy or insolvency of the contractor, with foreseeable loss of all or a part of the debt in question, or with other foreseeable loss on other claims or interests of the United States, or (ii) prevent performance of contracts or subcontracts deemed necessary to the national defense.

(3) Collection of the indebtedness in full is likely if the proposal for deferred payment is accepted.

(c) MCPMF will make an examination and analysis similar to that described in § 1054.2206(b) and paragraph (b) of this section and will submit through channels on a priority basis an evaluation of the contractor's proposal with the necessary supporting information and a recommendation to the Directorate of Accounting and Finance, Contract Financing Branch (AFAAF-6C), Hq USAF. The Director of Accounting and Finance will refer the case to the Deputy for Contract Financing, Office of the Assistant Secretary of the Air Force.

(d) Pending the decision of the Deputy for Contract Financing, (1) The requirement for submitting a report of the case according to § 1054.2208(b) will not

apply, and (2) MCPMF may authorize the accounting and finance office to withhold or offset payments under the contract (in which instance the ACO will be immediately notified of the action) or MCPMF may waive such action.

(e) The Deputy for Contract Financing may deny the contractor's proposal, or approve it, or approve it upon prescribed conditions. Deferred payments for a period longer than 90 days which are approved by the Deputy for Contract Financing will be charged interest at the rate of 5 percent per annum unless a different rate is determined by the approving office.

(f) Agreements in this category will include such covenants and security as prudent and feasible under the circumstances of each case, will be limited to the shortest practicable maturities, and will be made only when found to meet the standards set forth in paragraph (b) of this section.

(g) A copy of the supplemental agreement will be furnished MCPMF after execution. The cognizant contracting officer will notify MCPMF of receipt of payments under the supplemental agreement.

§ 1054.2208 Reports; hold-up list.

(a) Except as provided in paragraph (b) of this section, the appropriate accounting and finance office having funds cited in the contract will submit, within 15 days after a debt becomes delinquent, a brief narrative report consisting of the name and address of the accounting and finance office designated to make payment, name and address of the contractor, contract number, nature and amount of debt involved, together with the complete case file concerning the delinquent debt to the Directorate of Accounting and Finance, Contract Financing Branch (AFAAF-6C), Hq USAF, for inclusion on the consolidated list of contractors indebted to the United States, commonly known as the "Hold-Up List".

(b) The name of a company which is delinquent in the payment of a debt need not be forwarded for inclusion on the Hold-Up List under the following circumstances:

(1) If the company becomes delinquent in connection with a debt which provided for payment in cash within 30 days, a report to Hq USAF is not required when the appropriate accounting and finance office is satisfied that collection will be completed by the offset of payments under the contract to be made within 90 days after the initial demand. However, if the anticipated payment is not received within the 90 days, a report must be submitted.

(2) No amounts less than \$25 (unless due from carriers, in which case the minimum is \$10) will be reported.

Subpart W—Scrap Control

Section 1054.2304 is revised to read as follows:

§ 1054.2304 Responsibilities.

The administrative contracting officer, in administering AF production contracts, will be supported by a Technical Assistance Group (TAG) appointed by authority of AMA directorates of pro-

curement and production, and consisting of industrial property, quality control, production and audit personnel, which will operate under the chairmanship of its production representative. The ACO, supported by the TAG, in reviewing contractors' scrap control will:

(a) Review and evaluate the contractor's procedures and practice of scrap control and the results obtained from such control.

(b) Review rejection trends of the contractor and spot-check to satisfy himself that scrap controls as established by the contractor are actually being practiced.

(c) Determine that the contractor's controls pertaining to the generation of scrap, including procedures and records, are according to the generally accepted objectives of scrap control within the segment of the industry concerned and are adequate to protect the Government's interest. Advise the contractor and local cognizant AF personnel, in writing, of the determination. If corrective measures are necessary, advise the contractor so he may accomplish them. A copy of this correspondence will be sent to the cognizant AMA director of procurement and production.

(d) Advise the AMA director of procurement and production of any areas in which action by higher authority is necessary to resolve or clarify responsibility for scrap control matters that involve various functional elements of the Air Force.

Subpart Y—Losses, Damages, or Destruction of Government Property in Possession of Contractors Under Military Suspense Accounting

In § 1054.2503, paragraphs (a) and (b) are revised to read as follows:

§ 1054.2503 Responsibilities and procedures.

(a) In each instance of loss, damage, or destruction of Government property while in the possession of a contractor under service type contracts such as cited in § 1054.2500, DD Form 1150, "Request for Issue or Turn-In," will be prepared to establish circumstances under which the loss, damage, or destruction of the property occurred. The DD Form 1150 will be initiated and prepared by the officer responsible for the property, or such other individual having a primary interest in the property involved. The contractor's name, address, and pertinent contract number will be set forth in the statement of circumstances on the face of the form.

(1) Upon completion of DD Form 1150 by the individual responsible for its preparation, original and two copies will be immediately sent to the contracting officer for his action.

(2) One copy marked "Information Copy" will be sent to the military account maintaining suspense control over the property.

(b) The contracting officer will consider the factual data contained on the DD Form 1150 in determining the contractor's liability for loss, damage, or destruction of the property involved. Upon completing his investigation ac-

cording to the terms of the contract, the contracting officer will record his findings of fact (written advice) on the reverse of DD Form 1150, or by exhibit thereto. One completed copy will be returned to the accountable property officer in whose account suspense control has been maintained for use as the valid credit voucher to such account.

Subpart Z—Interim Billing Prices and Refunds for Incentive and Price Redetermination Contracts

Subpart Z is revised as follows:

Sec.	
1054.2600	Scope of subpart.
1054.2601	Definition.
1054.2602	General.
1054.2603	Interim refunds and adjustments.
1054.2604	Contract administration.

AUTHORITY: §§ 1054.2600 to 1054.2604 Issued under sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314.

§ 1054.2600 Scope of subpart.

This subpart applies to the administration of incentive and price redetermination type contracts which include (or should be amended to include) the appropriate provisions on "Limitation on Payments" as set forth in §§ 7.108 and 7.109 of this title.

§ 1054.2601 Definition.

"Interim refunds" as used herein refer to refunds made in anticipation of final pricing, whether pursuant to contractual requirements or by mutual agreement.

§ 1054.2602 General.

All contracts with incentive or price redetermination provisions will contain the appropriate clause set forth in §§ 7.108 and 7.109 of this title. Each clause limits payments to be made to the contractor and provides for quarterly refunds to the Government of amounts in excess of such limitations.

§ 1054.2603 Interim refunds and adjustments.

(a) The administrative contracting officer (ACO) will promptly ascertain the amount of indebtedness to the Government arising on contracts pursuant to this subpart and will effect collection expeditiously.

(b) To expedite and control adjustments and refunds, a list of all Fixed-Price Redetermination (FPR) and Fixed-Price Incentive (FPI) contracts being administered will be established and maintained to indicate those which have and those which have not incorporated the appropriate clause.

(c) The ACO will systematically review all FPR and FPI type contracts with contractors statements at least every 3 months to obtain downward revised billing prices and/or prompt refunds, as appropriate.

(d) Revised billing prices proposed by contractors will be effective immediately and will be paid at the reduced amount, if otherwise proper, without awaiting contract amendments. The ACO will nevertheless comply with paragraph (f) of this section, to assure credit to the applicable appropriation for the contract item numbers involved. The reduced

invoice or credit memorandum should bear the following wording:

This interim price reduction is tendered by the contractor and accepted by the Government without prejudice to the rights of any of the parties in negotiation of the final price of subject contract.

(e) Refunds will be made, accepted, and deposited without delay and without effecting accounting adjustments. Contractors will not be required to furnish adjusted bids concurrently or concurrent itemization of adjustments to be made on past billings, but may be requested immediately thereafter to furnish information essential for Government personnel to account for the adjustment.

(f) Clauses. (1) Interim refunds and revised billing prices made pursuant to contractual requirements when the contract contains one of the clauses in §§ 7.108 or 7.109 of this title will be evidenced by supplemental agreement containing the following clause modified if necessary to suit the circumstances:

Pursuant to authority of clause ----- of this contract the parties hereto agree to effect the following revised billing prices for items enumerated.

The adjusted billing prices agreed upon by the parties hereto are to be considered as interim prices for billing purposes and this revision is made without prejudice to the rights of either party in the negotiation of final prices of this contract.

(2) Where interim refunds and revised billing prices are made on contracts not containing the required clause the procuring contracting officer will be advised and requested to incorporate the clause by amendment. Pending amendment, the clause in subparagraph (1) of this paragraph will be modified by revising the first sentence to read:

By mutual agreement the parties hereto agree to effect the following revised billing prices for items enumerated.

§ 1054.2604 Contract administration.

(a) The contracting officer will exercise every effort to bring about prompt redetermination of prices and setting of firm target prices by vigilant and timely attention to the contract administration aspects of each contract.

(b) When progress payments have been made on contracts on which interim refunds are made, the unliquidated progress payment balance will be adjusted as required by Subpart F of this part.

(c) Certain tax credits in connection with contract price refunds are permitted by Section 1481 of the Internal Revenue Code of 1954 and Section 3806 of the Internal Revenue Code of 1939. The effect of these statutory tax credits will not be altered by the fact that the incentive or price redetermination clause in the contract does not contain provisions for deduction of tax credits. All incentive and price redetermination type contracts should be administered to allow the statutory tax credit whenever applicable under the circumstances. Whenever there is a "gross excess" under those contract provisions, the tax credit will be allowed in partial settlement of the gross excess, and only the remainder

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of the excess, plus the refund due as a result of the reduction in price of the item, will be refunded by the contractor.

Subpart AA—Special Bank Accounts for Advance Payments

1. Section 1054.2700 is revised to read as follows:

§ 1054.2700 Scope of subpart.

This subpart sets forth procedures to be followed in the administration and supervision of special bank accounts. See Subpart G, Part 1058 of this chapter (to be superseded by § 1030, Appendix E, Part IV, of this chapter).

2. Sections 1054.2702, 1054.2703(b), and 1054.2706 are revised to read as follows:

§ 1054.2702 Definition.

For the purpose of this subpart the term "Financial Branch" means the Financial Branch (MCPMF), Hq AMC, or the Financial Section (RDSKC), Hq ARDC when applicable.

§ 1054.2703 Supervision of special bank accounts.

(b) *Requests for advance payment moneys by contractors.* The ACO will determine that requests for additional advances into the bank account from the contractor conform to requirements of Subpart G, Part 1058 of this chapter (to be superseded by § 1030, Appendix E, Part IV, of this chapter).

§ 1054.2706 Change in contractor's ability to perform contract.

The ACO will follow the procedures in § 82.30 Subpart G of this title with respect to any known change in the contractor's technical or financial ability to perform the contract.

3. In § 1054.2707, paragraph (a) is revised as follows:

§ 1054.2707 Use of advance payments under terminated contracts.

(a) The AF activity responsible for the issuance of notices of termination (for the convenience of the Government) (see Subpart B, Part 1008 of this chapter) will notify the ACO promptly of each partial or total termination of a contract under which advance payments are outstanding, so that the latter may be fully informed in connection with any further withdrawals. Withdrawals from special advance payment bank accounts under contracts terminated for contractor's default will be stopped immediately. The Financial Branch will notify the Contract Management Division (MCPKT) Hq AMC, and readjustment activities at the respective AMA's and depots of all contracts which have advance payments outstanding.

Subpart CC—Processing of Claims Under Cost-Reimbursement Type Contracts

In § 1054.2909, paragraph (c) is revised and a new paragraph (e) is added as follows:

§ 1054.2909 Inter-plant billings under cost-reimbursement type contracts exclusive of home office overhead.

(c) *Transmittal of inter-plant billings.* The primary ACO will request the contractor to transmit inter-plant billings to the receiving plant through the ACO at the originating plant (if such individual is assigned) and furnish two copies of completion billings to both the auditor having cognizance over the originating plant and to the secondary ACO. The contracting officer at the originating plant will examine the invoices and provisionally approve, according to § 1054.2905, the costs covered by the invoice which, in his judgment, are reasonable and necessary to the performance of the work for which the charge is made. A copy of the provisionally approved invoices will be furnished to the cognizant auditor at the originating plant at the time the invoice is transmitted to the receiving plant.

(e) When the inter-plant invoice is submitted to the receiving plant for reimbursement, the contracting officer at that plant is authorized to rely on the certification of the contracting officer at the originating or intermediate plant or plants for the facts stated therein as shown on the certified copy of the inter-plant invoice forwarded by the ACO at the originating plant. However, the contracting officer approving the Standard Form 1034 voucher or the commercial invoice covering such inter-plant billings must also be satisfied that under the specific terms of the cost reimbursement contracts or time and material contracts involved, such costs were incident to the performance of such contracts and reimbursable thereunder. (See § 15.502(e) of this title.)

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

PART 1055—SPARE PARTS

Subpart D—Approval of Spare Parts or Ground Support Equipment Exhibits and Issuance of Supplemental Agreements

In § 1055.402, paragraph (c) is revised to read as follows:

§ 1055.402 Procedures and responsibilities.

(c) The procuring contracting officer will designate in the contract a basic supplemental agreement number for each category of parts and equipment (i.e., spare parts, ground support equipment, training parts) to be provisioned under the contract. He will advise the contract distribution officer, by correspondence attached to the contract forwarded for distribution, the supplemental agreement numbers assigned. Once such numbers have been assigned, they will continue to be used to process priced exhibits of the category of parts

and equipment for which assigned, throughout the life of the contract. However, to permit proper identification the second or subsequent time the number is used, the ACO will assign a numerical suffix beginning with the number 1. For example, Supplemental Agreement Number 5 may be the number obtained to process the first spare parts category. The next succeeding revision proposed to incorporate one or more exhibits to the same category will be Supplemental Agreement Number 5-1. The next supplemental agreement number to the same category will be 5-2, etc.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

PART 1057—REPORTS

Subpart G—Report of Profit on Air Force Contracts Under Vinson-Trammell Act

Subpart G is deleted and reserved.

Subpart T—Overtime Report

Subpart T is deleted and reserved.

Subpart W—Report of Effectiveness of Labor Law Enforcement on Air Force Contracts

Subpart W is added as follows:

Sec.	
1057.2300	Scope of subpart.
1057.2301	Applicability of subpart.
1057.2302	Responsibilities.
1057.2303	Procedure.
1057.2304	Reports control symbol.

AUTHORITY: §§ 1057.2300 to 1057.2304 issued under sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314.

§ 1057.2300 Scope of subpart.

This subpart prescribes the preparation and submission of a monthly report of effectiveness of labor law enforcement on AF contracts as prescribed in § 1012.404 of this chapter.

§ 1057.2301 Applicability of subpart.

This subpart applies to all AF liaison offices designated in § 1012.404-51 of this chapter.

§ 1057.2302 Responsibilities.

(a) A monthly report will be prepared in letter form and submitted in duplicate by each AF liaison office to AMC (MCP), within 2 working days after the last day of the month being reported. Negative reports are required.

(b) MCP will prepare and submit a consolidated report as of the end of each quarter to reach Hq USAF (AFMPP-PR) not later than the 12th calendar day of the month following each quarterly period.

§ 1057.2303 Procedure.

The report submitted by the AF liaison office will list all unsettled cases received in prior months, all cases received during report month and all cases settled during report month. The information will be reported in the following format:

Docket No.	Base	Contract No.	Type of violation	Date received in AFLO	Date settled or forwarded to USAF	Willful, nonwillful, or criminal	Investigated by base AFLO	Status
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In addition to the above, the following information will be included in the report for those cases on which actions by the AF liaison office have been completed during the month reported:

(a) *Costs.* (1) Average cost per case with breakdown as follows:

(i) Administrative, including communications.

(ii) Technical, including costs of field investigations.

(iii) Travel.

Note: The Department of Labor has developed cost data sheets which may be adapted for Air Force use.

(b) *Restitution.* (1) Amount of money paid to workers as restitution.

(2) Number of employees who received restitution.

(c) *Types of cases.* (1) Number of cases involving nonwillful violations \$200 or less.

(2) Number of cases involving nonwillful violations over \$200.00.

(3) Number of willful violations.

(4) Number of Congressional cases.

(5) Number of cases referred to Hq USAF for resolution with Department of Labor.

(6) Number of cases involving criminal violations and prosecution.

§ 1057.2304 Reports control symbol.

Reports Control Symbol RCS AF-XDL-Y2 has been assigned to this report.

Subpart KK—Financial Management Report

Subpart KK is added as follows:

Secs.	Scope of subpart.
1057.3700	Scope of subpart.
1057.3701	Applicability.
1057.3702	Use of DD Form 1097, "Financial Management Report."
1057.3703	Coverage of the DD Form 1097.
1057.3704	General procedures related to both functions of the report.
1057.3705	Direction related specifically to the financial status of contract function.
1057.3706	Direction confined to the expenditure management function.

AUTHORITY: §§ 1057.3700 to 1057.3706 issued under sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314.

§ 1057.3700. Scope of subpart.

This subpart prescribes instructions for preparing, transmitting, and using DD Form 1097, "Financial Management Report," dated November 1, 1959. Bureau of Budget Approval Number 22-R180 (Expires May 31, 1964) applies. The revised reporting form and instructions contained herein will become effective with the March 31, 1960 reporting. Detailed instructions for completion are attached to each copy of the DD Form 1097. This form is designed as a dual purpose form to:

(a) Provide cost information for cost reimbursement contracts.

(b) Provide information for expenditure management on the status of ex-

pensitures and forecasts of future expenditures and billings under existing contracts and under planned programs.

§ 1057.3701 Applicability.

This subpart applies to Directorate of Procurement and Production, Hq AMC, AMC centers, AMC field procurement activities, and ARDC.

§ 1057.3702 Use of DD Form 1097, "Financial Management Report."

This report will be used for accomplishing the following objectives:

(a) To obtain earliest possible knowledge of an increase in the estimated cost (over-run) while developing forecasts of contractor-incurred commitments and contractor expenditures for cost reimbursement contracts. This is referred to as the "financial status" purpose of the form and covers in addition to the general items the specific items 7, 8, 11, 12, and 16 of the DD Form 1097. The term "Expenditures" in items 8 and 16 which refer to payments made by contractors for materials received by them or services rendered for them, is not to be confused with "Payments" of items 10 and 17 which refer to payments made or forecast to be made by the Government to contractors through Government finance offices.

(b) Manage Air Force expenditures: This is referred to as the "expenditure management" purpose of the report which in addition to the general items covers specifically items 9, 10, and 17, and involves the following:

(1) Development of expenditure forecasts for total AF business for each of the selected contractors covering at least 75 percent of the total procurement area which AMC has been made responsible to manage. Also involves forecasts for major individual contracts for analysis purposes. The selection of these largest contractors is made in compliance with AFR 70-13.

(2) Apprising appropriate AMC and ARDC staff activities and the Air Staff of projected goals with respect to expenditure of AF funds.

(3) Compare actual expenditures with expenditure targets and analyze deviations from the projected course. ACO's should keep records enabling them to explain, as required, instances where actual payments deviate substantially from the contractor's forecast.

§ 1057.3703 Coverage of the DD Form 1097.

(a) For financial status purpose all cost reimbursement type contracts with an uninvoiced dollar balance of \$25,000 and over, regardless of contractor, will be reported. The one exception to this limitation is in connection with contracts with nonprofit (educational) institutions reporting is limited to contracts having an uninvoiced dollar balance of \$100,000 or more. If determined necessary, the contracting officer may require reports submitted on such contracts with an uninvoiced dollar balance

of less than \$100,000 but not less than \$25,000.

(b) For expenditure management purpose:

(1) A Summary Report from each of the selected contractors covering total AF business in the 3100/3200/3010/3020/3080/Joint 3600 appropriation areas will be required. Contractor units presently designated for expenditure control with respect to AF funds are set forth in § 1057.3706(g). Contractor units have been designated for expenditure control with respect to Army (A21 x 2030 P4051) funds and these are set forth in § 1057.3706(h). These lists of contractor units are subject to change as necessary but not more than once for each fiscal year, to provide submission from a minimum number of contractors and still account for 75-80 percent of the total unpaid balances on active contracts.

(2) Reports covering individual contracts are also required. Individual contract reporting is required from selected contractors only, is restricted to those contracts, regardless of type, with uninvoiced dollar balance of \$1 million or over, and is limited to contracts for aircraft, missiles, propulsion, fire control and guidance systems, bomb navigation systems, and other electronic systems.

(c) When it is necessary to report both financial status (primarily items 7, 8, 11, 12, and 16) and expenditure management (items 9, 10, and 17), the information for both will be included on the same form. In other instances, as requirements demand, it may be necessary to prepare and submit a report covering only one or the other of the two functions.

(d) The clause entitled "Financial Management Report" reference §§ 1007.204-55 and 1007.404-17 of this chapter will be included in all cost type contracts in excess of \$25,000 face value. (\$100,000 limitation for nonprofit (educational) institutions.)

§ 1057.3704 General procedures related to both functions of the report.

(a) DD Form 1097 will be prepared quarterly by the contractors and generally submitted in from four to seven copies.

(b) ACO's administering contracts will be responsible for assuring that appropriate contractors submit the required reports. They will furnish the contractors a supply of DD Form 1097, will advise which specific reports are required, and will give necessary guidance based on this Subchapter.

(c) Individual contract reports will be submitted to the ACO involved not later than the 30th day of the month following the end of each calendar quarter. Summary reports will be submitted to the AFPRO/APD involved on the same date.

(d) Channeling of reports from the AFPRO/APD locations forward is covered separately for the two functions in §§ 1057.3705 and 1057.3706 and in the flow charts following.

(e) The ACO will be responsible for completing item 19 of the report. "Service Representative's Remarks and Authentication". Review and analysis will include, but not necessarily be lim-

ited to: A review of any estimated cost increases shown in the contractor's forecast, as well as a review of the contractor's forecast of billings to ascertain whether he has included all provisioning orders, work requests, facility item approvals, and similar contingency items which may be in possession of the ACO and have not been released to the contractor but which will affect the contractor's forecast. (In the case of the Summary Reports for Expenditure Management the AFPRO/APD/ARDC procurement activity, or similar office having primary contract administration responsibility will be responsible for completing item 19.)

(f) AF reporting will not complete items 4, 5, or 6.

(g) Program data pertaining to ballistic missiles will be released by AMCBMC. Program data pertaining to other areas will be released by the Programs and Analysis Office (LMFB), AMCASC, Wright-Patterson AFB, Ohio. This information is furnished to applicable AFPRO's/APD's by means of extracts from Program Planning Schedules.

§ 1057.3705 Direction related specifically to the financial status of contract function.

(a) The DD Form 1097 is required on all cost reimbursement type contracts with an uninvoiced dollar balance of \$25,000 or more, with the exception of contracts with nonprofit institutions as indicated in § 1057.3703(a). The form, when financial status information only is included, will be submitted by the contractor to the ACO in four copies. It may, however, be combined with the individual report for Expenditure Control purposes (see § 1057.3706), in which event the words "Expenditure Management and Financial Status" will be typed immediately underneath the printed title of the form, and will be submitted in seven copies. Nothing in these instructions will be construed as relieving ballistic missiles contractors from reporting on ballistic missiles contracts directly to the AMC Ballistic Missiles Center according to WDD Exhibit 58-1. DD Form 1097 may be incorporated and made a part of WDD Exhibit 58-1 where the frequency and due dates of the two reports coincide.

(b) Air Force action and distribution:

(1) By the ACO: If the report is for financial status use only, an advance copy of the report will be forwarded without comment immediately upon receipt from the contractor to the project officer of the ARDC activity on ARDC executed contracts or to the procuring contracting officer (PCO) on AMC executed contracts. The ACO, after completing item 19 according to § 1057.3704(e), will forward two copies to the PCO and retain one copy for followup action and file. If the form combines financial management and expenditure control reporting the ACO will retain one copy, and forward an advance copy to the ARDC project officer or the AMC PCO, as appropriate. Remaining copies after completion of item 19 will be distributed as follows: One copy to team captain, whose com-

plete responsibilities are outlined in § 1057.3706. One copy to AMC (MCPA). Three copies to the PCO.

(2) Action by the Procuring Contracting Officer: Upon receipt of the advance copy of the report, the PCO will review it to determine whether he must immediately contact the project officer or the procurement initiator because of an impending deficiency in funds. Upon receipt of remaining copies of the DD Form 1097, the PCO will comment on the report in the same manner required of the ACO in § 1057.3704(e), by separate correspondence attached to each copy of the report. On those reports indicating an increase in the estimated cost, i.e., an overrun, he will within 5 days after receipt, contact the initiator of the procurement to determine whether the supplies and/or services are still required and whether there should be any change in quantity in view of the anticipated increase in costs. The PCO will then advise the ACO of the determination made. If the determination is to obtain the additional funds necessary to provide for the estimated increase, the procedures set forth in Subpart D, Part 1054 of this chapter, will be followed. On all ARDC executed contracts, the PCO will, within 5 days after receipt from the ACO, indicate in separate correspondence attached to the report his specific review, analysis, recommendations, and/or action comments, and obtain any necessary recommendations and comments from the cognizant project officer. In instances requiring determination or action by higher authority, a copy of the report will be forwarded to ARDC division or center offices and other higher echelons of ARDC having cognizant procuring, programming, project management, and funding authority in connection with the individual contract and project or system. The PCO will forward one copy of the report to the initiator of the procurement and retain one copy for follow-up and file.

(3) Action by the Procurement Initiator or Project Officer: The initiator or project officer will take prompt action on reports which indicate a need for additional funds to determine whether the funds are to be provided or the program is to be cut back. He will take appropriate action based on the decision made and will inform the PCO. On all other reports the initiator or project officer will evaluate the contractor data and comments of the contracting officers against the program's priority and budget to determine whether it will require review for additional funds or cut back in the foreseeable future.

(c) Items 9, 10, 13, 14, and 17 do not require completion when the report is for financial status use only.

§ 1057.3706 Direction confined to the expenditure management function.

(a) It is imperative that expenditure forecasts in item 17 be as accurate as possible since Hq USAF, the Department of Defense, and the Bureau of the Budget use these forecasts as a basis for making important financial management decisions. The forecasts should be within 3 percent of eventual actual expenditures.

(b) DD Form 1097 expenditure management reporting and distribution procedures: (1) Selected AF contractors will prepare and submit the following DD Form 1097 reports:

(i) A "summary" report covering all active AF contracts as well as planning programs. A planning program has been defined as a program not yet on contract but one which the contractor knows through official Hq USAF Aircraft and Missile (WA/WM) Production Schedule releases (distributed by Hq AMC or other means) is planned for his particular facility. It is preferable that the summary report be limited to just those items funded with 3010/3020/3080/Joint 3600 and the corresponding prior year funds. If the summary must include total AF funds, including such appropriations as 3300 and 3400, responsible team captains will apply a factor to remove the amounts not desired. At the time that 3010/3020/3080 funds are cited on a single citation 3600 contract, this contract falls into the category of those to be reported under the expenditure management plan. Contracts citing 3100/3200/3010/3020/3080 funds will be included in the reporting and if there are 3600 funds cited jointly the forecast should also include an estimate of payments against the 3600 funds. The actual payments reported against the forecast include payments against the jointly cited appropriation. "Single 600" citations will not be included in the forecasts or actual payment reporting. Summary reporting should be limited to that portion of the contractor's facilities assigned to the designated AFPRO/APD/ARDC procurement activity, or similar office, for administration. Where a single APD encompasses several contractor facilities or plants, the contractor may submit separate summary reports for each facility.

(ii) A separate DD Form 1097 for each individual contract with an uninvoiced dollar balance of over \$1,000,000 as of the reporting date for aircraft, missiles, propulsion, fire control and guidance systems, bomb navigation systems, and other electronics systems. Some contractors will have no individual contract reports to prepare for the expenditure management purpose of the DD Form 1097 report.

(iii) A separate DD Form 1097 report for each planning program included in the summary report.

(iv) Item 17 on both the summary and individual DD Form 1097 reports will be a forecast of billings or payments and not a forecast of contractor capability. Such factors as progress payments, withholding due to 80/20 clause definitizations, accelerations, and slippages will be taken into consideration in developing the forecast.

(2) Entries under item 17 for summary, individual contract, and planning program reports will be as of the end of each of the next 3 months and the following 7 quarters. A final entry will be made for "To Completion of Contract". For example, the March 31, 1960 reports will be by month for April, May, and June 1960 and by quarter for the four quarters of FY 61 and by quarter for the first three quarters of FY 62 with a final entry

in individual contract reporting for "To Completion of Contract".

(3) The due dates for contractor submission of summary and individual contract DD Form 1097 reports to the responsible AFPRO/APD and ACO's are listed in § 1057.3704.

(4) Individual contract report channeling: Responsible ACO's will review, analyze, and confirm or refute the expenditure management data listed by contractors on individual contract DD Form 1097 reports. ACO's will evaluate in item 19 the accuracy and completeness of the contractor's reporting. The following distribution will be made by ACO's within 5 days after receipt from the contractor:

(i) One copy of report to team captain location designated in paragraph (g) of this section.

(ii) One information copy of report directly to AMC (MCPA).

(iii) Three copies of report to appropriate PCO.

(iv) One copy retained for file and future reference.

(5) Summary report channeling: The AFPRO/APD will review the DD Form 1097 summary report in the same fashion as prescribed for ACO's on individual contract DD Form 1097 reports in subparagraph (4) of this paragraph. AFPRO/APD's will make the following distribution of reports within 5 working days after receipt from the contractor:

(i) Two copies of the report to the team captain location designated in paragraph (g) of this paragraph.

(ii) One information copy of report directly to AMC (MCPA).

(iii) One copy retained for file and future reference.

(6) Responsibility of the PCO in individual contract reporting: For reports in which financial status and expenditure management information are included on the same form, the detailed required action of the PCO is given in § 1057.3705(b)(2). He is also required to send one copy of the DD Form 1097 to the applicable team captain after adding any pertinent comments to the expenditure management program. For reporting in which expenditure management information only is included, the PCO will furnish a copy with proper analysis and comment to the team captain but will furnish no copies to the initiator of the procurement.

(7) With respect to DD Form 1097 reporting procedures for Department of Army contracts and selected contractors, the PCO's will not distribute a copy of individual contracts reports to MCPA, Hq AMC, but should forward one copy of the report to the fiscal station cited on the contract.

(8) The items which do not require completion when the report is for expenditure management only are items 7, 8, 11, 12, and 16.

(c) Team captain and center monitor functions in expenditure management: It is the responsibility of the team captain to analyze and adjust contractor forecasts and to analyze deviations from these forecasts. Generally each selected contractor is monitored by a separate team captain, who is located at the point

of primary procurement administration responsibility for the selected contractor involved. The analysis and adjustment of contractor forecasts are accomplished on AFPI Form 89 (formerly AMC Form 265), "Analysis of DD Form 1097 Expenditure Forecast". The analysis of deviations is prepared within boundaries prescribed in paragraph (e) of this section and is forwarded by electrically transmitted message or letter to AMC (MCPA) or to the center or AMA expenditure monitor if applicable. For the analysis of deviations report RCS: AMC N65, which expires December 31, 1960, applies. In areas of responsibility such as the AMC Aeronautical Systems Center, where a considerable number of team captains are involved, a monitor will be assigned with the responsibility of establishing local operating policy to conform to Center financial administration objectives, to interpret policy uniformly, to insure accuracy and timeliness of reporting, and to perform required summarization.

(d) Instructions for preparing and submitting AFPI Form 89: (1) Description of items, AFPI Form 89:

(i) The contractor's DD Form 1097 Summary forecast for the current fiscal year, without adjustment, is entered in column B. The first forecast in a particular fiscal year starting with the month of July should begin with zero and accumulate the forecast to a fiscal year total. The AFPI Form 89 for the September 30 forecast should begin with actuals in column B and G for the first quarter and accumulate the forecast by month and by quarter for the remainder of the year. In no case will accumulated totals be carried forward from a prior fiscal year. Quarterly forecasts should be inserted on the form in the last month of the quarter involved.

(ii) The team captain's adjustment for the removal of funds other than P3100/3200/3010/3020/3080/Joint 3600 funds included in the contractor's forecast is entered in column C. This adjustment is based upon the ratio of funds other than the controlled funds to the total funds cited on contracts held by the contractor. The monthly Uninvoiced Dollar Balance Report is acceptable as a source of information for the development of this ratio. The ratio or percentage developed should be applied against the contractor's total forecast to arrive at the dollar amount to be placed in column C. This adjustment will not be necessary where contractors have no "other funds" included in forecasts or voluntarily limit forecasts to just those items funded within the controlled area.

(iii) The adjustment required to convert a forecast of billings to a forecast of payments will be entered in column D. Selected contractors have the option to forecast either billings or payments, and it is necessary to convert all billings forecasts to forecasts of payments. This adjustment can be made by slipping the billings forecast forward based on the average time lag between billings and payments indicated by the contractor on the DD Form 1097.

(iv) Any adjustments necessary to bring the forecast up to date with the

latest directed and approved program will be entered in column E. All adjustments made by the team captain in this column should be identified by program document, program item, dollar amount, and reason for the adjustment on the reverse side of the form. Team captains will identify the production schedule on which the forecast is based. The amounts in the contractor's forecast for planning programs will be carefully reviewed, and all unrealistic or unapproved planning programs removed from the forecast. The planning program will appear on some program release document (such as a WA/WM USAF Production Schedule or procurement authorization) to qualify for inclusion in the contractor's forecast.

(v) The net total of columns C, D, and E will be placed in column F.

(vi) The team captain's forecast will be entered in column G. This is the contractor's unadjusted forecast shown in column B plus or minus the total team captain's adjustment shown in column F.

(vii) The team captain's recommendation, if any, of a percentage factor that should be applied against his forecast in column G based on past forecasting experience with the contractor involved will be entered in column H. This recommendation will be considered in arriving at the final experience factor adjustment and at the team captain's adjusted forecast.

(viii) Column I and J are for use by the MCPA Hq AMC, expenditure monitor only. The dollar amounts adjusted for experience will be entered in column I and the final adjusted forecast will be placed in column J.

(2) The team captain is responsible for preparing a summary AFPI Form 89 covering the selected contractor based on the contractor's DD Form 1097 summary report. It is recognized that in some cases an individual team captain will not have all the information necessary to analyze the contractor's forecast as a whole, since there will be some program areas over which the team captain will have no control or knowledge. However, the distribution procedure for the DD Form 1097 has been set up so that the team captain will receive all copies of individual contract reports submitted by the contractor, annotated by the ACO and PCO involved. The team captain will make maximum use of the ACO's and PCO's analyses on individual reports in analyzing the portion of the contractor's DD Form 1097 summary report which is outside his area of procurement responsibility.

(3) The summary AFPI Form 89 will be submitted in duplicate by team captains through the AMA or center expenditure monitors, if applicable, to AMC (MCPA) within 7 working days after receipt of the summary and individual contract DD Form 1097 reports from the AFPRO/APD. In all cases, reports from team captains will be forwarded in time to be in the hands of MCPA, Hq AMC, no later than 55 days after the "as of" date of the DD Form 1097 reports.

(4) Supply of forms: An initial supply of AFPI Form 89 will be furnished using

activities. Additional quantities required may be reproduced locally, according to Figure 1.

(e) Instructions for review and submission of analysis of deviations report: (1) Team captains will prepare and submit in writing an analysis of deviations between forecast and actual expenditures, showing at a minimum the following information:

(i) The team captain's summary forecast of expenditures for the selected contractor unit as a whole for the quarter being analyzed taken from the last quarterly AFPI Form 89 submitted.

(ii) The total actual payments (expenditures) made to the selected contractor unit from 3100/3200/3010/3020/3080/Joint 3600 funds for the quarter being analyzed as reported by the finance officer(s) on the AMC C-74 report.

(iii) An analysis of all significant deviations (i.e., 3 percent or more) between the contractor's summary forecast and actual expenditures for the quarterly period. This analysis should show as a minimum the contract numbers and program items which are the cause of the deviation from forecast. The specific reason for the deviation should be spelled out such as nondefinitization of a contract in the month anticipated by the contractor and team captain, or delivery schedule slippage. Either of these constitute satisfactory explanations of the contractor's inability to invoice and get paid as anticipated in his forecast. If the deviation is simply "fall out" due to overly optimistic forecasting by the contractor, it should be indicated. If the deviation at the end of the quarter indicates a trend, the anticipated cumulative effect of such a trend on the year-end forecast should be considered. Contractors' records, if in being, may be used by the team captain to assist in their analysis. Under no circumstances will contractors be required to maintain records or furnish specific data to prepare this report.

(2) The basis for the team captain's analysis of deviations report will be Part C of the AMC C-74 report which the AFPRO/APD is responsible for submitting to the team captain at the end of each quarter. This report will be forwarded in time to be in the hands of the team captains on the third working day after the end of the calendar quarter. The team captain's analysis of deviations report is due in MCPA, Hq AMC, through the AMA or center monitor, where applicable, not later than the seventh working day after the end of the calendar quarter. The first report under these revised procedures will be due in Hq AMC not later than April 11, 1960 and will cover an analysis of deviations for the third quarter of FY 60.

(f) A summary of the team captain locations appears below:

Location	No. of team captains assigned
AMC Aeronautical Systems Center.....	23
AMC Ballistic Missile Center.....	10
Rome Air Materiel Area.....	4
Dayton Air Force Depot.....	1
Oklahoma City Air Materiel Area.....	1
AMC Electronics Systems Center.....	1

(g) Listing of Air Force selected contractor units and team captain locations for FY 60:

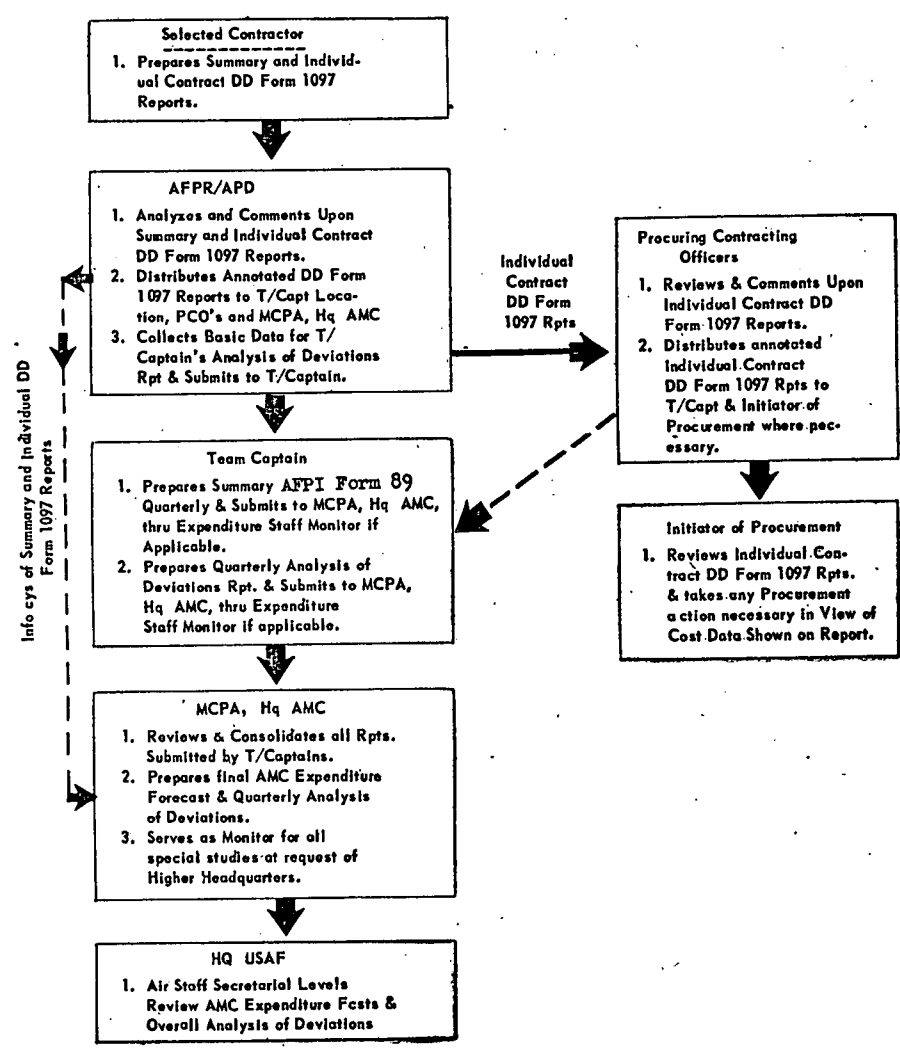
Company and location, office assigned contract administration responsibility, monitor and team captain location

Aerojet General, Nimbus, Calif.; AFPR, Sacramento, Calif.; AMCBMC.
AC Spark Plug, Milwaukee, Wis.; Milwaukee APD; AMCBMC.
Allison Division, GMC, Indianapolis; AFPR, Indianapolis; AMCBMC (LMFB).
Arma Division, American Bosch, Garden City; New York APD; AMCBMC (LMFB).
Avco Mfg., R and D, Everett and Lawrence, Mass.; Boston APD; AMCBMC.
Bendix Radio, Towson, Md.; Philadelphia APD; ROAMA.
Boeing Airplane Co., Seattle; AFPR, Seattle; AMCBMC (LMFB).
Boeing Airplane Co., Wichita; AFPR, Wichita; AMCBMC (LMFB).
Burroughs Corp., Detroit; Detroit APD; ROAMA.
Burroughs Corp., Paoli, Pa.; Philadelphia APD; ROAMA.
Convair Astro, San Diego, Calif.; AFPR, San Diego; AMCBMC.

Convair, Ft. Worth, Tex.; AFPR, Ft. Worth; AMCBMC (LMFB).
Convair, San Diego, Calif.; AFPR, San Diego; AMCBMC (LMFB).
Douglas Aircraft Co., Long Beach and Santa Monica; AFPR, Long Beach; AMCBMC.
Douglas Aircraft Co., Tulsa, Okla.; AFPR, Tulsa; OCAMA.
Eclipse-Pioneer Division, Bendix Aviation, Teterboro, N.J.; Newark APD; AMCBMC (LMFB).
General Electric, Evendale; AFPR, Cincinnati; AMCBMC (LMFB).
General Electric, Philadelphia; Philadelphia APD; AMCBMC.
General Electric, Syracuse; AFPR, Syracuse; AMCBMC.
General Electric, Utica and Johnson City; Rochester APD; Dayton AFD.
Hughes Aircraft Co., Culver City, Calif.; AFPR, Culver City; AMCBMC (LMFB).
Hughes Aircraft Co., Tucson, Ariz.; AFPR, Culver City; AMCBMC (LMFB).
IBM Corp., Kingston, N.Y., New York APD; ROAMA.
IBM Corp., Oswego, N.Y.; Rochester APD; AMCBMC (LMFB).
Lockheed Aircraft, Burbank, Calif.; AFPR, Burbank; AMCBMC (LMFB).

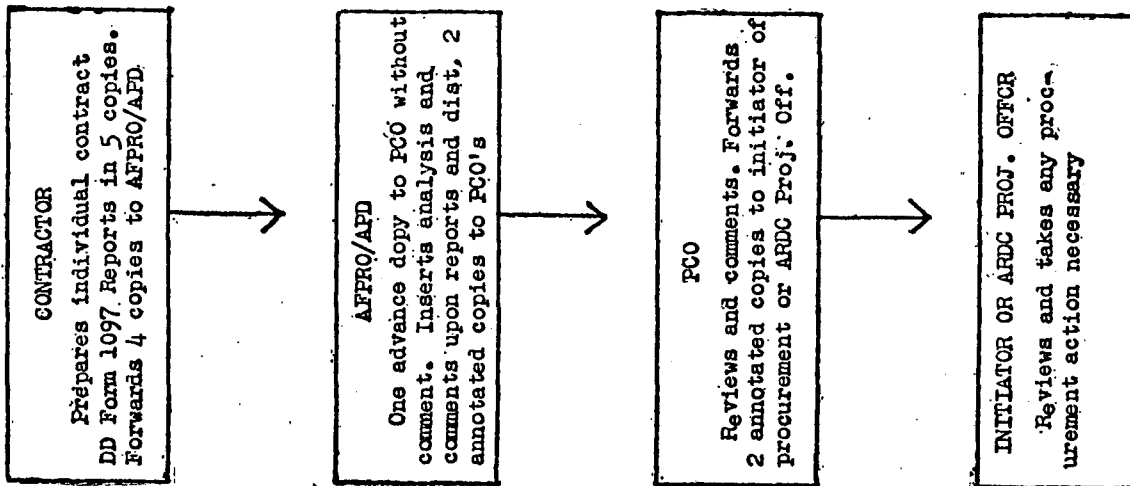
FLOW CHART OF FINANCIAL MANAGEMENT DATA AND REPORTS

(Covering Expenditure Management Reporting alone or when combined with Financial Status)



FLOW CHART OF FINANCIAL MANAGEMENT

(Covering Financial Status Reporting alone when not combined with Expenditure Management)



ANALYSIS OF DD FORM 1097 EXPENDITURE FORECAST										REPORTS CONTROL SYMBOL	
P-3100/3500/3010/3020/3040/JOINT 3400 FUNDS											
All figures in millions to one decimal point. For example, \$1,246,190 would read \$1.2											
SELECTED CONTRACTOR										QUARTER ENDING	
YEAR/CAPTAIN										FISCAL YEAR	
MONTH	CONTRACTOR'S FORECAST FROM 17 DD Form 1097	REMOVAL OF FUNDS OTHER THAN 3100/ 3500/3010/3020/ 3040/JOINT 3400	ADJUSTMENT OF BILLINGS TO PAYMENTS	PROGRAM (L)	TOTAL TEAM CAPTAIN'S ADJUSTMENT	TEAM CAPTAIN'S FORECAST	RECOMMENDED % EXPERIENCE ADJUSTMENT	EXPENDITURE MONITOR'S ADJUSTMENT	EXPENDITURE MONITOR'S FINAL ADJUSTED FORECAST		
										A	B
JUL	INCREMENT										
	CUMULATIVE										
AUG	INCREMENT										
	CUMULATIVE										
SEP	INCREMENT										
	CUMULATIVE										
OCT	INCREMENT										
	CUMULATIVE										
NOV	INCREMENT										
	CUMULATIVE										
DEC	INCREMENT										
	CUMULATIVE										
JAN	INCREMENT										
	CUMULATIVE										
FEB	INCREMENT										
	CUMULATIVE										
MAR	INCREMENT										
	CUMULATIVE										
APR	INCREMENT										
	CUMULATIVE										
MAY	INCREMENT										
	CUMULATIVE										
JUN	INCREMENT										
	CUMULATIVE										

AFPI FORM FEB 69 89
REPLACES AMC FORM 265, JAN 59,
WHICH IS OBSOLETE.

AF-WF-0-108 40 1500

Lockheed Aircraft, Marietta, Ga.; AFPR, Marietta; AMCASC (LMFB).
 Marquardt, Ogden, Utah, and Van Nuys, Calif.; Ogden AMA; AMCASC (LMFB).
 Martin, Baltimore; AFPR, Baltimore; AMCASC (LMFB).
 Martin, Denver; AFPR, Denver; AMCBMC.
 McDonnell Aircraft, St. Louis; Ogden AMA; AMCASC (LMFB).
 Minn-Honeywell Regulator Co., Minneapolis, Minn.; Milwaukee APD; AMCASC (LMFB).
 North American Aviation, Columbus, Ohio, Inglewood and Canoga Park, Calif.; AFPR, Inglewood; AMCASC (LMFB).
 Northrop Aircraft, Hawthorne, Calif. and Radioplane, Van Nuys, Calif.; AFPR, Hawthorne; AMCASC (LMFB).
 Pratt and Whitney, Hartford, Conn.; BUWEPS, E. Hartford; AMCASC (LMFB).
 RCA, Camden and Moorestown, N.J.; Philadelphia APD; AMCASC (LMFB).
 Republic, Farmingdale, N.Y.; AFPR, Farmingdale; AMCASC (LMFB).
 Sperry Gyroscope, Great Neck, Long Island; AFPR, Farmingdale; AMCASC (LMFB).
 Thiokol Chemical, Brigham City, Utah; Ogden AMA; AMCBMC.
 Western Electric, NYAPD, New York; New York APD; AMCBMC.
 Western Electric, New York, N.Y.; AMC Electronics Systems Center; AMCESC.

(h) Contractor units selected for expenditure management (Dept. of Army funds—Appropriation A21x2030 P4051 only).

Company and office assigned contract administration responsibility

Aircooled Motors, Inc., Rochester APD.
 AVCO Manufacturing Corp., Bridgeport, Lycoming Division, New York APD.
 AVCO Manufacturing Corp., Lycoming-Spencer Division, Philadelphia APD.
 Beech Aircraft Corp., AFPR, Wichita, Kans.
 Bell Helicopter Corp., Dallas APD.
 Cessna Aircraft Co., St. Louis APD.
 Continental Motors, Inc., Detroit APD.
 DeHavilland Aircraft of Canada, Limited, Canadian Commercial Corp., Detroit APD.
 General Electric Co., Boston APD.
 Sikorsky Aircraft Division, UAC, AFPR, Stratford, Conn.
 Vertol Aircraft Corp., Philadelphia APD.
 (Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

PART 1058—CONTRACT FINANCING

Subpart F—Debts Owed by Contractors, Deferred Payments

Subpart F is deleted.

Subpart J—Funding of Supply Contract to Include Production Acceleration Capability and/or Production Compression Capability Projects

Subpart J is deleted.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

PART 1059—AIRCRAFT AND GFAP PROCUREMENT

Subpart E—Financing of Engineering and Development or "Product Improvement"

1. The title of Subpart E is revised as shown above.

2. Section 1059.502 is revised to read as follows:

§ 1059.502 Definition.

As used herein the term "product improvement" is a program of continuing engineering and development leading to improvement of weapons systems (airframes, engines, electronics and related equipments) and operational support equipment.

3. Section 1059.503 is added as follows:

§ 1059.503 Policy.

Production funds may be used for "product improvement" when the effort is in one or more of the following categories:

(a) *Service.* Improvement of function and performance of equipment to be produced, being produced or previously produced.

(b) *Increased producibility.* Redesign of equipment or its method of manufacture to result in an increase in the amount of equipment manufactured from an equal input of labor and material.

(c) *Small increases in performance.* Defined as model-to-model improvement, usually relatively minor improvements in function, performance, or reliability of the production article.

(d) *Large increase in performance.* Development of equipment which is different in major respects from equipment being produced, and giving large increases in performance, but which remains the same type or category of product.

NOTE: These categories will not be construed to permit basic development to be carried on as product improvement.

4. Section 1059.504 is revised to read as follows:

§ 1059.504 General.

(a) Product improvement may be included in an Air Force contract at time of initiation or later by contract supplement by specifying the principal engineering items and amounts of money required for each item, or it may be initiated by a separate contract.

(b) It is necessary to distinguish between costs of a product improvement program proper, and changes in unit costs resulting from a product improvement. An increase in price of an end article caused by an improvement to the article through a product improvement program is not chargeable to the product improvement proposal, but is charged to production costs.

Subpart F—Special Procurements

§ 1059.602 [Amendment]

1. In § 1059.602, paragraphs (c) and (d) are added, as follows:

(c) *Responsibilities.* (1) For new procurements:

(i) The AMC Aeronautical Systems Center (ASC) is responsible for monitoring procurement of new MTU's only.

(ii) Directorate of Supply and Services, Ogden AMA, is responsible for supply of GFP in connection with procurement of new MTU's only.

(2) For modifications:

(i) Aircraft/missiles prime maintenance AMA commanders are responsible for monitoring procurement of modifications of in-service MTU's only.

(ii) Directorate of supply and services at aircraft/missiles prime maintenance AMA is responsible for supply of GFP in connection with procurement of modifications of in-service MTU's only.

(d) *Procedures.* (1) The ASC will require airframe contractors to submit estimated cost of planned MTU's at the same time that estimated cost of the corresponding planned aircraft program is submitted to the ASC.

(2) The ASC will obtain proposals from contractors, as required to permit timely procurement action for MTU's directed for procurement. Contracting officers will require contractors to include the following information in proposals submitted:

(i) Detailed specifications for the MTU.

(ii) Separate cost quotations on each panel or trainer of the MTU.

(iii) Separate cost quotations on preparation of artwork for wall charts, transparencies, etc.

(3) The aircraft contract will provide, either initially or by subsequent amendment, that the contractor will produce an MTU which will accurately represent a specifically identified aircraft, and further provide that the MTU will be delivered 60 days in advance of the scheduled delivery date of the representative aircraft.

(4) Accomplishment of the detailed MTU specification will be contractually provided for as the complete responsibility of the contractor. Technical assistance in preparation of the detailed MTU specification may be requested from Aeronautical Accessories Laboratory (WCLE), WADC.

(5) The technical aspects of proposed detailed MTU specifications submitted by contractors will be approved by WCLE, WADC. Any detailed MTU specifications, as approved by WCLE, will be accepted by the ASC, insofar as technical composition is concerned, and will form the basis for necessary contractual coverage of the MTU.

Subpart G—Industry Preparedness Measures Contracts

Subpart G is deleted.

Subpart I—Termination of Second Sources

Subpart I is deleted.

(Sec. 8012, 70A Stat. 488; 10 U.S.C. 8012. Interpret or apply secs. 2301-2314, 70A Stat. 127-133; 10 U.S.C. 2301-2314)

[SEAL]

J. L. TARR,
Colonel, USAF,

Director of Administrative Services.

[F.R. Doc. 60-7360; Filed, Aug. 10, 1960; 8:45 a.m.]

Title 43—PUBLIC LANDS: INTERIOR

Chapter I—Bureau of Land Management, Department of the Interior

SUBCHAPTER C—AREAS SUBJECT TO SPECIAL LAWS

[Circular No. 2049]

PART 115—REVESTED OREGON AND CALIFORNIA RAILROAD AND RE- CONVEYED COOS BAY WAGON ROAD GRANT LANDS IN OREGON

Sale of Timber

On page 5697 of the FEDERAL REGISTER of June 22, 1960, there was published a notice of proposed rule making to issue amendments to the regulations implementing the provisions relating to timber sales and road use permits on the O. and C. and Coos Bay Wagon Road Grant Lands.

Interested persons were given 30 days in which to submit written comments, suggestions, or objections with respect to the proposed regulations. No comments, suggestions, or objections have been received. The proposed regulations are hereby adopted without change and are set forth below. In order that the public may promptly receive the benefits of the amendments, they shall become effective at the beginning of the calendar day on which they are published in the FEDERAL REGISTER.

FRED G. AANDAHL,
Acting Secretary of the Interior.

AUGUST 5, 1960.

1. Paragraph (a) of § 115.21 is amended to read as follows:

§ 115.21 Negotiated sales.

(a) When it is determined by the authorized officer to be in the public interest, he may sell at not less than the appraised value, without advertising or calling for bids, timber not exceeding an estimated volume of 100 M board feet, or if the timber is not measured in board feet, a quantity not exceeding \$2,000 in appraised value, to or for the benefit of any one person, partnership, association or corporation in any period of twelve consecutive months.

2. Subparagraph (1) of paragraph (b) of § 115.28 is amended to read as follows:

§ 115.28 Payments.

(b) * * *

(1) Installment payments shall be determined by the authorized officer. For sales up to \$100,000 installment payments shall be not less than 10 percent. For sales over \$100,000 installment payments shall be not less than \$10,000. For cruise sales the first installment shall be paid prior to or at the time the authorized officer signs the contract. The second installment shall be paid prior to the commencement of cutting operations: *Provided, however,* That prior to paying the second installment

the authorized officer may permit the purchaser to cut and remove timber on the location over which a road must be constructed under this contract if the purchaser pays for such timber in advance. Each subsequent installment shall be due and payable without notice when the value of the timber cut, equals the sum of all the payments minus the first installment. The total amount of the purchase price must be paid prior to 60 days before the expiration of the contract. The purchaser shall not be entitled to a refund on a cruise sale even though the amount of timber cut, removed or designated for cutting may be less than the estimated total volume shown in the contract.

PERMITS FOR RIGHTS-OF-WAY FOR LOGGING ROADS

3. Subparagraph (3) of paragraph (a) of § 115.174 is amended to read as follows:

§ 115.174 Terms and conditions of permit.

(a) * * *

(3) To take adequate precaution to prevent forest, brush, and grass fires; to endeavor with all available personnel to suppress any fire originating on or threatening the right-of-way on which a road is being used or constructed by the permittee or any fire caused by the permittee; to do no burning on or near the right-of-way without State permit during the seasons that permits are required and in no event to set fire on or near the right-of-way that will result in damage to any natural resource or improvement.

[F.R. Doc. 60-7478; Filed, Aug. 10, 1960; 8:47 a.m.]

Title 50—WILDLIFE

Chapter I—Fish and Wildlife Service, Department of the Interior

SUBCHAPTER K—PROCESSED FISHERY PRO- DUCTS, PROCESSED PRODUCTS THEREOF, AND CERTAIN OTHER PROCESSED FOOD PRODUCTS

PART 182—UNITED STATES STAND- ARDS FOR GRADES OF FROZEN RAW HEADLESS SHRIMP¹

On page 4114 of the FEDERAL REGISTER of May 7, 1960, there was published a notice and text of a proposed new Part 182 of Title 50, Code of Federal Regulations. The purpose of the new part is to issue United States Standards for Grades of Frozen Raw Headless Shrimp under the authority transferred to the Department of the Interior by section 6(a) of the Fish and Wildlife Act of August 8, 1956 (16 U.S.C. 742e).

Interested persons were given until June 6, 1960, to submit written comments, suggestions or objections with respect to the proposed new part. Comments

¹ Compliance with the provisions of these standards shall not excuse failure to comply with the provisions of the Federal Food, Drug, and Cosmetic Act.

were received and considered and the proposed new part is hereby adopted with minor changes and is set forth below. This amendment shall become effective at the beginning of the 30th calendar day following the date of this publication in the FEDERAL REGISTER.

Dated: August 5, 1960.

FRED G. AANDAHL,
Acting Secretary of the Interior.

PRODUCT DESCRIPTION, GRADES AND SIZES

Sec.	Product description.
182.1	Product description.
182.2	Grades of frozen raw headless shrimp.
182.3	Sizes of frozen raw headless shrimp.

FACTORS OF QUALITY AND GRADE

182.11 Ascertaining the grade.

DEFINITIONS AND METHODS OF ANALYSIS

182.21 Definitions and methods of analysis.

LOT CERTIFICATION TOLERANCES

182.25 Tolerances for certification of officially drawn samples.

SCORE SHEET

182.31 Score sheet for frozen raw headless shrimp.

AUTHORITY: §§ 182.1 to 182.31 issued under sec. 6(a), Fish and Wildlife Act of August 8, 1956 (16 U.S.C. 742e), and sec. 205(b), Agricultural Marketing Act of August 14, 1946, as amended (7 U.S.C. 1624(b)).

PRODUCT DESCRIPTION, GRADES AND SIZES

§ 182.1 Product description.

Frozen raw headless shrimp are clean, wholesome, headless, shell-on shrimp of the regular commercial species. They are sorted for size, packed, and frozen in accordance with good commercial practice and are maintained at temperatures necessary for the preservation of the product.

§ 182.2 Grades of frozen raw headless shrimp.

(a) "U.S. Grade A" or "U.S. Fancy" is the quality of frozen raw headless shrimp of a single commercial count that possess a good flavor and odor, that are of a reasonably uniform color, and that for those factors which are rated in accordance with the scoring system outlined in the following sections, the total score is not less than 90 points.

(b) "U.S. Grade B" or "U.S. Good" is the quality of frozen raw headless shrimp of a single commercial count that possess at least reasonably good flavor and odor, and that for those factors which are rated in accordance with the scoring system outlined in the following sections, the total score is not less than 80 points.

(c) "U.S. Grade C" or "U.S. Commercial" is the quality of frozen raw headless shrimp of a single commercial count that possess at least reasonably good flavor and odor, and that for those factors which are rated in accordance with the scoring system outlined in the following sections, the total score is not less than 70 points.

(d) "Substandard" is the quality of frozen raw headless shrimp that fail to meet the requirements of "U.S. Grade C" or "U.S. Commercial."

§ 182.3 Sizes of frozen raw headless shrimp.

The average weight and number of shrimp per pound (count) of frozen raw headless shrimp are not factors of quality in determining the grade of the product. However the degree of conformity of the weights of the individual shrimp to the average weight of shrimp in the sample is rated since it is a factor affecting the utility of the product. Descriptive size names are not recommended. The commercial count (number per pound) and descriptive size names, if used, shall conform to one of the following categories:

Commercial count— Number of shrimp per pound	Number of shrimp per pound (average)		Descriptive size name
	Over—	Not over—	
Under 10.....	-----	9.9	Extra colossal.
10-15.....	9.9	15.0	Colossal.
16-20.....	15.0	20.0	Extra jumbo.
21-25.....	20.0	25.0	Jumbo.
26-30.....	25.0	30.0	Extra large.
31-35.....	30.0	35.0	Large.
36-42.....	35.0	42.0	Medium large.
43-50.....	42.0	50.0	Medium.
51-60.....	50.0	60.0	Small.
61-70.....	60.0	70.0	Extra small.
Over 70.....	70.0	-----	Tiny.

FACTORS OF QUALITY AND GRADE
§ 182.11 Ascertaining the grade.

(a) *General.* In addition to considering other requirements outlined in the standards, the grade is ascertained by observing the product in the frozen, thawed, and cooked states and is evaluated by considering the following:

(1) *Factors rated by score points.* The quality of the product with respect to factors scored is expressed numerically. Factors rated by score points are: dehydration; deterioration; black spot on shell or loose membrane only; black spot on meat; broken, damaged and pieces of shrimp; legs, loose shell, and flippers; heads an unacceptable shrimp; extraneous materials; uniformity of size; and the texture of the cooked product. Cumulative point deductions from the maximum possible score of 100 are assessed for variations of quality for each factor in accordance with the schedule in Table I. The minimum score is 0.

(2) *Factor not rated by score points.* The factor of "flavor and odor" is evaluated organoleptically after the product has been cooked in a suitable manner, and is defined as follows:

(i) *Good flavor and odor.* "Good flavor and odor" (essential requirement for a Grade A product) means that the product has the good flavor and odor characteristic of freshly caught, chilled shrimp and is free from off-flavors and off-odors of any kind. The presence of iodoform-like flavor and odor is not to be construed as off-flavor and off-odor.

(ii) *Reasonably good flavor and odor.* "Reasonably good flavor and odor" (minimum requirement of Grade B and Grade C products) means that the product may be somewhat lacking in the good flavor and odor characteristic of freshly caught, chilled shrimp but is free from objectionable off-flavors and objectionable off-odors of any kind.

DEFINITIONS AND METHODS OF ANALYSIS

§ 182.21 Definitions and methods of analysis.

(a) "Count," or number of shrimp per pound, is determined by dividing the number of shrimp in the package by the actual net weight in pounds of the shrimp.

(b) "Net weight" of the shrimp is determined as follows:

(1) *Equipment needed.* (i) Container, 4-gallon or more capacity;

(ii) Source of running water that can be maintained at 75°-85° F; with hose of sufficient length to reach the bottom of the container;

(iii) Balance accurate to 0.01 ounce, or 0.1 gram;

(iv) U.S. standard wire sieve, ASTM No. 20, 12-inch diameter.

(2) *Procedure.* Place the frozen shrimp in the 4-gallon container into which fresh water of a temperature from 75° to 85° F. is introduced from the bottom at a flow of approximately six gallons per minute. After any glaze has been removed and the shrimp separate easily, empty the contents of the container through the tared sieve, spreading the shrimp out evenly. Tilt the sieve at approximately a 45-degree angle to facilitate drainage; drain the shrimp for 2 minutes; and then weigh the sieve and contents. The net weight is the weight of the sieve and contents minus the weight of the sieve.

(c) "Cooked in a suitable manner" means that a thawed sample of the product has been cooked by the following method:

Place 2 to 4 ounces of peeled deveined and rinsed shrimp in a boilable plastic bag with ½-cup of salt solution (1 teaspoon salt dissolved in 1 pint or 2 cups of water). Add a 2-ounce stainless steel weight or snap a large clip on bottom of bag. Suspend the bag in a kettle of boiling water and return the water to a boil as rapidly as possible. (More than one sample may be cooked at a time, as long as the water will return to a boil within 2 minutes). After the water is boiling, cook according to the following timetable:

Count of shrimp—Number per pound	Cooking time (minutes)
Up to 15.....	12
16 to 35.....	9
Over 35.....	6

Remove from bag, drain, and cool to approximately room temperature (do not refrigerate) for evaluation of flavor and odor.

(d) "Dehydration" refers to the occurrence of a whitish area on the exposed ends of the shrimp, due to the drying of the affected area, and to a generally desiccated appearance of the meat after the shell is removed.

(e) "Deterioration" refers to any detectable change from the normal good quality of freshly caught shrimp. It is evaluated by noting deviations of the odor of the thawed product from the normal odor of freshly caught shrimp.

(1) "Slight deterioration" means that the shrimp lack the pleasant odor characteristic of freshly caught shrimp.

(2) "Moderate deterioration" means that the shrimp have slight off-odors.

(3) "Marked deterioration" means that the shrimp have definite off-odors, but are not spoiled.

(4) "Excessive deterioration" means that the shrimp have a definite odor of spoilage. Deductions in this category are made for individual shrimp which are affected.

(f) "Black spot on the shell or loose membrane only" refers to blackened areas at least moderately affecting the appearance of the shrimp.

(1) "Moderately affecting" means that the black spot which occurs at the shell joints extends at least one-third of the circumference of the shrimp at the particular location at which it occurs, and black spot which occurs as a circular area exceeds one-eighth inch in diameter for 31/35 count shrimp or is proportionately larger or smaller for respectively larger or smaller shrimp.

(g) "Black spot on the meat" refers to any darkened area that is present on the shrimp flesh.

(h) "Broken" refers to a shrimp having a break in the flesh greater than one-third of the thickness of the shrimp at the particular location at which it occurs.

(i) "Damaged" refers to a shrimp that is crushed or mutilated so as to materially affect its appearance.

(j) "Piece" refers to any portion of shrimp that contains less than five segments.

(k) "Legs" refers to walking legs only, not swimmerets, or to portions of the head (cephalothorax) with legs and which may be either loose or attached to a shrimp.

(l) "Loose shell" refers to any piece of shell which is completely detached from the shrimp except paper-thin shell from soft-shelled shrimp.

(m) "Flipper" refers to a tail fin, sometimes including the last shell segment but containing no meat.

(n) "Head" means any portion of head (cephalothorax) large enough to contain an eye and which may be either loose or attached to a shrimp.

(o) "Unacceptable shrimp" refers to abnormal or diseased shrimp.

(p) "Extraneous material" means any material in the package which is not shrimp material.

(q) "Uniformity of size" is evaluated by computing the actual count per pound of the shrimp in the sample, and then determining, by weighing individual shrimp, the number of shrimp that are slightly large, slightly small, exceedingly large, or exceedingly small for that particular count per pound.

(1) "Slightly large" means that a shrimp is more than 25 percent, but not more than 35 percent larger, by weight, than a shrimp of the actual count per pound.

(2) "Exceedingly large" means that a shrimp is more than 35 percent larger, by weight, than a shrimp of the actual count per pound.

(3) "Slightly small" means that a shrimp is more than 25 percent, but not more than 35 percent smaller, by weight, than a shrimp of the actual count per pound.

(4) "Exceedingly small" means that a shrimp is more than 35 percent smaller, by weight, than a shrimp of the actual count per pound. For use in computing the uniformity of size factor, weights of individual shrimp are given in Table II.

(r) "Texture" defect refers to an undesirable toughness and/or dryness and/or mushiness of the shrimp examined in the cooked state.

LOT CERTIFICATION TOLERANCES

§ 182.25 Tolerances for certification of officially drawn samples.

The sample rate and grades of specific lots shall be certified in accordance with Part 170 of this chapter (regulations governing processed fishery products, 23 F.R. 5064, July 3, 1958).

With respect to conformance with the declared commercial count, the lot shall be considered to be of the declared count if the number of deviant units in the sample does not exceed the acceptance number prescribed for the sample size in Part 170 of this chapter. If a lot fails to meet the requirements of any specific commercial count, it shall be marked a mixed lot and shall not be graded.

SCORE SHEET

§ 182.31 Score sheet for frozen raw headless shrimp.

GENERAL

Label.....
Size and kind of container.....
Container mark or identification.....
Size of lot.....
Number of samples.....
Declared count per pound.....
Actual net weight (ounces).....
Actual count per pound.....
Descriptive size name.....

Scored factors (table 1)	Deductions
Frozen and thawed:	
1. Dehydration.....	
Thawed:	
2. Deterioration.....	
3. Black spot on shell or loose membrane only.....	
4. Black spot on meat.....	
5. Broken, damaged, and pieces.....	
6. Legs, loose shell, and flippers.....	
7. Heads and unacceptable shrimp.....	
8. Extraneous material.....	
9. Uniformity of size.....	
Cooked:	
10. Texture.....	
Total deductions.....	
Rating for scored factors (100 minus total deductions).....	
Flavor and odor.....	
Final grade.....	

TABLE I—SCHEDULE OF DEDUCTIONS FOR FACTORS RATED BY SCORE POINTS¹

State	Factor	Description of quality variation	Deduct
Frozen and thawed	Dehydration.....	Dehydrated—exposed ends	
		Desiccation of meat	
		Frozen state	
		Thawed state	
		Thawed state	
		Up to 5 percent.....	0
Thawed	Deterioration.....	5.1-15.0 percent.....	3
		Over 15.0 percent.....	6
		(2.1-5.0 percent.....	11
		Over 5.0 percent.....	
		(Percent by count of total sample.)	
		Apply the one highest deduction only.	
		Off-odor, overall sample:	
		Slight.....	2
		Moderate.....	6
		Marked.....	21
		Any excessive, each 1 percent or fraction (percent by count).....	5
	Black spot on shell or loose membrane only.	Shell affected, but not meat:	
		Not over 5 percent.....	0
	Black spot on meat.....	Each additional 5 percent, or fraction (percent by count).....	1
		None.....	0
		Not over 3 percent.....	1
		3.1-5.0 percent.....	2
Cooked	Broken, damaged, and pieces.	Each additional 5 percent, or fraction (percent by count).....	2
		Not over 1 percent.....	0
	Legs, loose shell, and flippers.	1.1-3.0 percent.....	2
		Each additional 3 percent, or fraction (percent by weight).....	2
	Heads and unacceptable shrimp.	Not over 3 percent.....	0
		Each additional 3 percent, or fraction (percent by count).....	2
	Extraneous material.....	Not over 1 percent.....	2
		Each additional 1 percent, or fraction (percent by count).....	3
	Uniformity of size.....	1 piece.....	1
		2 pieces.....	2
Cooked	Texture.....	over 2 pieces.....	4
		Slightly large and slightly small: Each 3 percent, or fraction.....	1
		Exceedingly large and exceeding small: Each 3 percent, or fraction.....	2
		(Percent by count—based on actual count per pound of sample).	
Cooked	Texture.....	Tough, dry, or mushy:	
		Slight.....	2
		Moderate.....	4
		Excessive.....	11

¹ This schedule of point deductions is based on the examination of sample units composed of: (a) the contents of an entire package or (b) sufficient packages to provide a sample unit of 2 pounds or more, declared net weight.

RULES AND REGULATIONS

TABLE II—WEIGHTS OF NON-UNIFORM SHRIMP

[Ounces]

Count per pound	Exceedingly large	Slightly large	Slightly small	Exceedingly small
8.....	Over— 2.70	Over— 2.50	Under— 1.50	Under— 1.30
9.....	2.40	2.22	1.33	1.16
10.....	2.16	2.00	1.20	1.04
11.....	1.96	1.82	1.09	0.94
12.....	1.80	1.67	1.00	.87
13.....	1.66	1.54	0.92	.80
14.....	1.54	1.43	.86	.74
15.....	1.44	1.33	.80	.69
16.....	1.35	1.25	.75	.65
17.....	1.27	1.18	.71	.61
18.....	1.19	1.11	.67	.58
19.....	1.14	1.05	.63	.55
20.....	1.08	1.00	.60	.52
21.....	1.03	0.95	.57	.50
22.....	0.98	.91	.54	.47
23.....	.94	.87	.52	.45
24.....	.90	.83	.50	.43
25.....	.86	.80	.48	.42
26.....	.83	.77	.46	.40
27.....	.80	.74	.44	.38
28.....	.77	.71	.43	.37
29.....	.74	.69	.41	.36
30.....	.72	.67	.40	.35
31.....	.70	.64	.39	.34
32.....	.67	.62	.38	.32
33.....	.65	.61	.36	.32
34.....	.64	.59	.35	.30
35.....	.62	.57	.34	.30
36.....	.60	.56	.33	.29
37.....	.58	.54	.32	.28
38.....	.57	.53	.32	.27
39.....	.55	.51	.31	.27
40.....	.54	.50	.30	.26
41.....	.53	.49	.29	.25
42.....	.51	.48	.29	.25
43.....	.50	.47	.28	.24
44.....	.49	.46	.27	.24
45.....	.48	.44	.27	.23
46.....	.47	.44	.26	.23
47.....	.46	.42	.26	.23
48.....	.45	.42	.25	.22
49.....	.44	.41	.24	.21
50.....	.43	.40	.24	.21
51.....	.42	.39	.24	.20
52.....	.42	.38	.23	.20
53.....	.41	.38	.23	.20
54.....	.40	.37	.22	.19
55.....	.39	.36	.22	.19
56.....	.39	.36	.21	.18
57.....	.38	.35	.21	.18
58.....	.37	.34	.21	.18
59.....	.37	.34	.20	.18
60.....	.36	.33	.20	.17
61.....	.35	.33	.20	.17
62.....	.35	.32	.19	.17
63.....	.34	.32	.19	.16
64.....	.34	.31	.19	.16
65.....	.33	.31	.18	.16
66.....	.33	.30	.18	.16
67.....	.32	.30	.18	.16
68.....	.32	.29	.18	.15
69.....	.31	.29	.17	.15
70.....	.31	.28	.17	.15
71.....	.30	.28	.17	.15

ALTERNATE TABLE II—WEIGHTS OF NON-UNIFORM SHRIMP

[Grams]

Count per pound	Exceedingly large	Slightly large	Slightly small	Exceedingly small
8.....	Over— 76.5	Over— 70.9	Under— 42.5	Under— 38.2
9.....	68.0	62.9	37.7	32.9
10.....	61.2	56.7	34.0	29.5
11.....	55.6	51.6	30.9	26.6
12.....	51.0	47.3	28.4	24.7
13.....	47.1	43.7	26.1	22.7
14.....	43.7	40.5	24.4	21.0
15.....	40.8	37.7	22.7	19.6
16.....	38.3	35.4	21.3	18.4
17.....	36.0	33.4	20.1	17.3
18.....	33.7	31.5	19.0	16.4
19.....	32.3	29.8	17.9	15.6
20.....	30.6	28.4	17.0	14.7
21.....	29.2	26.9	16.2	14.2
22.....	27.8	25.8	15.3	13.3
23.....	26.6	24.7	14.7	12.8
24.....	25.5	23.5	14.2	12.2
25.....	24.4	22.7	13.6	11.9
26.....	23.5	21.8	13.0	11.3
27.....	22.7	21.0	12.5	10.8
28.....	21.8	20.1	12.2	10.5
29.....	21.0	19.6	11.6	10.2
30.....	20.4	19.0	11.3	9.9
31.....	19.8	18.1	11.0	9.6
32.....	19.6	17.6	10.8	9.2
33.....	18.4	17.3	10.2	8.9
34.....	18.1	16.7	9.9	8.6
35.....	17.6	16.2	9.6	8.4
36.....	17.0	15.9	9.4	8.2
37.....	16.4	15.3	9.1	7.9
38.....	16.2	15.0	9.0	7.7
39.....	15.6	14.5	8.8	7.6
40.....	15.3	14.2	8.5	7.4
41.....	15.0	13.9	8.3	7.2
42.....	14.4	13.6	8.1	7.0
43.....	14.2	13.3	7.9	6.9
44.....	13.9	13.0	7.7	6.7
45.....	13.0	12.5	7.6	6.6
46.....	13.3	12.3	7.4	6.4
47.....	13.0	12.0	7.2	6.3
48.....	12.8	11.8	7.1	6.2
49.....	12.4	11.6	6.9	6.0
50.....	12.2	11.3	6.8	5.9
51.....	11.9	11.0	6.8	5.7
52.....	11.9	10.8	6.5	5.7
53.....	11.6	10.8	6.5	5.7
54.....	11.3	10.5	6.2	5.4
55.....	11.1	10.2	6.2	5.4
56.....	11.1	10.2	6.0	5.1
57.....	10.8	9.9	6.0	5.1
58.....	10.5	9.6	6.0	5.1
59.....	10.5	9.6	5.7	5.1
60.....	10.2	9.4	5.7	4.8
61.....	9.9	9.4	5.7	4.8
62.....	9.9	9.1	5.4	4.8
63.....	9.6	9.1	5.4	4.5
64.....	9.6	8.8	5.4	4.5
65.....	9.4	8.8	5.1	4.5
66.....	9.4	8.5	5.1	4.5
67.....	9.1	8.5	5.1	4.5
68.....	9.1	8.2	5.1	4.3
69.....	8.8	8.2	4.8	4.3
70.....	8.8	7.9	4.8	4.3
71.....	8.5	7.9	4.8	4.3

[F.R. Doc. 60-7476; Filed, Aug. 10, 1960; 8:47 a.m.]

Proposed Rule Making

DEPARTMENT OF LABOR

Wage and Hour Division

[29 CFR Parts 672, 673, 675, 677]

[Administrative Order 538]

INDUSTRY COMMITTEES NOS. 49-A, B, C, AND D

Resignation and Appointment of Employer Member

Mr. Lester C. Rogers of Chicago, Illinois, appointed as an employer representative on Industry Committees Nos. 49-A, B, C, and D, by Administrative Order No. 535 (25 F.R. 7189), has resigned because of illness.

Now, therefore, pursuant to authority contained in the Fair Labor Standards Act of 1938, as amended (52 Stat. 1060, as amended; 29 U.S.C. 201 et seq.), and Reorganization Plan No. 6 of 1950 (3 CFR, 1950 Supp., p. 165), I hereby appoint Mr. F. Oliver Burnett, Jr., of Scottsdale, Arizona, to serve as an employer representative on Industry Committees Nos. 49-A, B, C, and D, replacing Mr. Lester C. Rogers.

Signed at Washington, D.C., this 5th day of August 1960.

JAMES T. O'CONNELL,
Acting Secretary of Labor.

[F.R. Doc. 60-7493; Filed, Aug. 10, 1960;
8:49 a.m.]

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

[7 CFR Part 1001]

HANDLING OF LIMES GROWN IN FLORIDA

Notice of Proposed Rule Making With Respect to an Increase of the Amount in the Reserve Fund

Notice is hereby given that the Secretary of Agriculture is considering the following proposals submitted by the Florida Lime Administrative Committee established under the marketing agreement, as amended, and Order No. 101, as amended (7 CFR Part 1001), regulating the handling of limes grown in Florida, under the applicable provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U.S.C. 601-674), as the agency to administer the terms and provisions thereof: (1) That the Secretary of Agriculture find that to increase the amount of the reserve fund (§ 1001.204) to an amount not to exceed \$10,000 (approximately one fiscal year's operational expenses) as authorized by § 1001.42 of the amended marketing agreement and order is appropriate for the maintenance and functioning of the said committee; and (2) that excess as-

essment funds from the fiscal year ended March 31, 1960, in the amount of \$2,435.38 be placed in said reserve fund.

A reserve fund was established on April 11, 1958 in the amount of \$4,500 (§ 1001.204; 23 F.R. 2373), and the proposed action contemplates an increase in this fund to a maximum of \$10,000.

Consideration will be given to written data, views, or arguments pertaining to the aforesaid proposals which are received by the Director, Fruit and Vegetable Division, Agricultural Marketing Service, United States Department of Agriculture, Room 2077, South Building, Washington 25, D.C., not later than the 10th day after the publication of this notice in the FEDERAL REGISTER.

Terms used herein shall have the same meaning as given to the respective terms in said amended marketing agreement and order.

Dated: August 5, 1960.

FLOYD F. HEDLUND,
Deputy Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 60-7483; Filed, Aug. 10, 1960;
8:48 a.m.]

FEDERAL AVIATION AGENCY

[14 CFR Parts 600, 601]

[Airspace Docket No. 60-FW-53]

FEDERAL AIRWAYS AND CONTROL AREAS

Revocation

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to Parts 600 and 601 of the regulations of the Administrator, the substance of which is stated below.

Red Federal airway No. 59 presently extends from Gage, Okla., to Oklahoma City, Okla. The Federal Aviation Agency has under consideration the revocation of this airway. The Gage to Oklahoma City route appears to be adequately served by VOR Federal airway No. 17 which overlies Red 59. Therefore, it appears that the retention of this airway and its associated control areas is unjustified as an assignment of airspace and that the revocation thereof would be in the public interest. In addition, § 601.4259 relating to reporting points would also be revoked.

If this action is taken, Red Federal airway No. 59 and its associated control areas would be revoked.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Management Field Division, Federal Aviation Agency, P.O. Box 1689, Fort

Worth 1, Tex. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Management Field Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Management Field Division Chief.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

Issued in Washington, D.C., on August 5, 1960.

J. R. BAILEY,
*Assistant Chief,
Airspace Utilization Division.*

[F.R. Doc. 60-7469; Filed, Aug. 10, 1960;
8:46 a.m.]

[14 CFR Parts 600, 601]

[Airspace Docket No. 60-FW-54]

FEDERAL AIRWAYS, CONTROL AREAS AND REPORTING POINTS

Revocation

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to Parts 600 and 601 of the regulations of the Administrator, the substance of which is stated below.

Red Federal airway No. 24 presently extends from Amarillo, Tex., to Oklahoma City, Okla. The Federal Aviation Agency has under consideration the revocation of this airway. The Amarillo to Oklahoma City route appears to be adequately served by VOR Federal airway No. 140 which closely parallels Red 24. Therefore, it appears that retention of this airway and its associated control areas is unjustified as an assignment of airspace, and the revocation thereof would be in the public interest. In addition, § 601.4224 relating to reporting points would also be revoked.

If this action is taken, Red Federal airway No. 24, its associated control areas and reporting point would be revoked.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Management Field Division, Federal Aviation Agency, P.O. Box 1689, Fort Worth 1, Tex. All communications received within forty-five days after publication of this notice in the *FEDERAL REGISTER* will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Management Field Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Management Field Division Chief.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

Issued in Washington, D.C., on August 5, 1960.

J. R. BAILEY,
Assistant Chief,
Airspace Utilization Division.

[F.R. Doc. 60-7470; Filed, Aug. 10, 1960;
8:46 a.m.]

[14 CFR Part 601]

[Airspace Docket No. 60-FW-47]

CONTROL AREAS

Designation of Control Area Extension

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to Part 601 of the regulations of the Administrator, the substance of which is stated below.

The Federal Aviation Agency has under consideration the designation of a control area extension at Allendale, S.C., to include the area southwest of the Allendale VOR bounded on the north by VOR Federal airway No. 70, on the west by the Macon, Ga., control area extension, on the southwest by VOR Federal airway No. 5 east alternate, and on the southeast by VOR Federal airway No. 157. This control area extension would

provide protection to aircraft operating under instrument flight rule conditions when departing Hunter Air Force Base, Savannah, Ga., via the Savannah VOR 269° True radial to the intersection of the Savannah VOR 269° and the Allendale VOR 231° True radials to the Allendale VOR.

If this action is taken, the Allendale, S.C., control area extension would be designated as that airspace southwest of the Allendale VOR bounded on the north by VOR Federal airway No. 70, on the west by the Macon, Ga., control area extension (§ 601.1020), on the southwest by VOR Federal airway No. 5 east alternate, and on the southeast by VOR Federal airway No. 157.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Management Field Division, Federal Aviation Agency, P.O. Box 1689, Fort Worth 1, Tex. All communications received within forty-five days after publication of this notice in the *FEDERAL REGISTER* will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Management Field Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Management Field Division Chief.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

Issued in Washington, D.C., on August 4, 1960.

J. R. BAILEY,
Assistant Chief,
Airspace Utilization Division.

[F.R. Doc. 60-7466; Filed, Aug. 10, 1960;
8:46 a.m.]

[14 CFR Part 601]

[Airspace Docket No. 60-AN-12]

CONTROL ZONES

Modification

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to Part 601 and

§ 601.1984 of the regulations of the Administrator, the substance of which is stated below.

The Moses Point, Alaska, control zone is presently designated within a 5-mile radius of the Moses Point Airport. The Federal Aviation Agency has under consideration the modification of this control zone by designating a control zone extension 2 miles either side of the east course of the Moses Point radio range extending from the 5-mile radius zone to a point 12 miles east of the radio range. This modification would provide protection for aircraft conducting prescribed instrument approaches to the Moses Point Airport during instrument flight rule conditions.

If this action is taken, the Moses Point, Alaska, control zone would be designated within a 5-mile radius of the Moses Point Airport (Lat. 64°41'49" N, Long. 162°02'42" W), and within 2 miles either side of the east course of Moses Point radio range extending from the 5-mile radius zone to a point 12 miles east of the radio range. The Moses Point, Alaska, control zone would then be designated in a new section in Part 601, and deleted from § 601.1984, *Five mile radius zones*.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Management Field Division, Federal Aviation Agency, P.O. Box 440, Anchorage, Alaska. All communications received within forty-five days after publication of this notice in the *FEDERAL REGISTER* will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Management Field Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Management Field Division Chief.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

Issued in Washington, D.C., on August 4, 1960.

J. R. BAILEY,
Assistant Chief,
Airspace Utilization Division.

[F.R. Doc. 60-7467; Filed, Aug. 10, 1960;
8:46 a.m.]

[14 CFR Part 601]

[Airspace Docket No. 60-AN-16]

CONTROL ZONES**Modification**

Pursuant to the authority delegated to me by the Administrator (§ 409.13, 24 F.R. 3499), notice is hereby given that the Federal Aviation Agency is considering an amendment to Part 601 and § 601.1984 of the regulations of the Administrator, the substance of which is stated below.

The Unalakleet, Alaska, control zone is designated within a 5-mile radius of Unalakleet Airport. The Federal Aviation Agency has under consideration redesignation of this control zone within a 5-mile radius of Unalakleet Airport and within 2 miles either side of the west course of the Unalakleet radio range extending from the 5-mile radius zone to 12 miles west of the radio range station. This would provide protection to aircraft conducting prescribed instrument approaches to Unalakleet Airport.

If this action is taken, the Unalakleet, Alaska, control zone would be designated within a 5-mile radius of Unalakleet Airport (Lat. 63°53'10" N, Long. 160°47'30" W), and within 2 miles either side of the west course of the Unalakleet radio range extending from the 5-mile radius zone to 12 miles west of the radio range station. The Unalakleet, Alaska, control zone would then be designated in a new section in Part 601, and deleted from § 601.1984, *Five mile radius zones*.

Interested persons may submit such written data, views or arguments as they may desire. Communications should be submitted in triplicate to the Chief, Air Traffic Management Field Division, Federal Aviation Agency, P.O. Box 440, Anchorage, Alaska. All communications received within forty-five days after publication of this notice in the FEDERAL REGISTER will be considered before action is taken on the proposed amendment. No public hearing is contemplated at this time, but arrangements

for informal conferences with Federal Aviation Agency officials may be made by contacting the Regional Air Traffic Management Field Division Chief, or the Chief, Airspace Utilization Division, Federal Aviation Agency, Washington 25, D.C. Any data, views or arguments presented during such conferences must also be submitted in writing in accordance with this notice in order to become part of the record for consideration. The proposal contained in this notice may be changed in the light of comments received.

The official Docket will be available for examination by interested persons at the Docket Section, Federal Aviation Agency, Room B-316, 1711 New York Avenue NW., Washington 25, D.C. An informal Docket will also be available for examination at the office of the Regional Air Traffic Management Field Division Chief.

This amendment is proposed under sections 307(a) and 313(a) of the Federal Aviation Act of 1958 (72 Stat. 749, 752; 49 U.S.C. 1348, 1354).

Issued in Washington, D.C., on August 4, 1960.

J. R. BAILEY,
Assistant Chief,
Airspace Utilization Division.

[F.R. Doc. 60-7468; Filed, Aug. 10, 1960;
8:46 a.m.]

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Food and Drug Administration

[21 CFR Part 121]

FOOD ADDITIVES**Notice of Amendment of Petition**

In re: Notice of filing of a petition for issuance of a regulation to provide for the use of 6,000 units of hygromycin B per pound and up to 0.05 gram of

chlortetracycline per pound in medicated feed of swine for the prevention and treatment of bacterial swine enteritis, for maintenance of weight gain in the presence of atrophic rhinitis, and for reducing the incidence of cervical abscesses.

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348(b)(5)), a notice of filing of a petition in the above-identified matter was published on June 28, 1960 (25 F.R. 5939).

The petition as filed is amended to provide for use of the medicated feed as an aid in the control of infestation of large roundworms (*Ascaris suis*), nodular worm (*Oesophagostomum dentatum*), and whipworm (*Trichuris suis*).

Dated: August 5, 1960.

[SEAL] J. K. KIRK,
Assistant to the Commissioner
of Food and Drugs.

[F.R. Doc. 60-7490; Filed, Aug. 10, 1960;
8:48 a.m.]

[21 CFR Part 121]

FOOD ADDITIVES**Notice of Filing of Petition**

Pursuant to the provisions of the Federal Food, Drug, and Cosmetic Act (sec. 409(b)(5), 72 Stat. 1786; 21 U.S.C. 348(b)(5)), notice is given that a petition has been filed by The Upjohn Company, Kalamazoo, Michigan, proposing the issuance of a regulation to establish the safe use of 350 grams of novobiocin activity in turkey feed for the treatment and prevention of staphylococcal synovitis or arthritis in turkeys.

Dated: August 5, 1960.

[SEAL] J. K. KIRK,
Assistant to the Commissioner
of Food and Drugs.

[F.R. Doc. 60-7491; Filed, Aug. 10, 1960;
8:49 a.m.]

Notices

DEPARTMENT OF AGRICULTURE

Agricultural Marketing Service

AMENDMENT TO DELEGATION OF AUTHORITY TO EXECUTE CERTAIN DOCUMENTS AND ASSIGNMENT OF FUNCTIONS

Pursuant to the assignment of functions and the authority delegated to the undersigned (25 F.R. 436) the Delegation of Authority to Execute Certain Documents and Assignment of Functions issued on July 12, 1960 (25 F.R. 6932) is amended as follows:

1. Delete the words "execute an affidavit or certificate" as they appear in Paragraphs 1 (a), (b), and (c) and substitute therefor the following: "execute the determination."

Dated: August 5, 1960.

H. L. FOREST,
Director, Dairy Division, Agricultural Marketing Service.

G. R. GRANGE,
Acting Director, Fruit and Vegetable Division, Agricultural Marketing Service.

[F.R. Doc. 60-7482; Filed, Aug. 10, 1960; 8:48 a.m.]

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

ALASKA

Small Tract Classification Order 89 Cancelled in its Entirety

By virtue of the authority contained in the act of June 1, 1938 (52 Stat. 609; 43 U.S.C. 682a), as amended, and pursuant to the authority delegated to me by Bureau of Land Management Order No. 541 dated April 21, 1954 (19 F.R. 2473), as amended, it is ordered that effective at 10:00 a.m. on August 10, 1960, Small Tract Classification Order No. 89 of December 1, 1954, affecting lands on Douglas Island, Alaska, is cancelled in its entirety.

R. PAUL RIGTRUP,
Acting Operations Supervisor, Juneau.

[F.R. Doc. 60-7494; Filed, Aug. 10, 1960; 8:49 a.m.]

[Notice 26]

ALASKA

Notice of Filing of Alaska Protraction Diagram; Anchorage Land District

AUGUST 5, 1960.

Notice is hereby given that effective with this publication, the following protraction diagrams are officially filed of record in the Anchorage Land Office, 6th and Cordova, Anchorage, Alaska. In

accordance with 43 CFR 192.42a(c) (24 F.R. 4140, May 22, 1959), these protractions will become the basic record for the description of oil and gas lease offers, State Selection applications under 43 CFR 76.9(a) (4) (24 F.R. 4657), and other authorized uses filed at and subsequent to 10:00 a.m. on the thirty-first day after the publication of this notice.

ALASKA PROTRACTION DIAGRAM (UNSURVEYED),
APPROVED JUNE 29, 1960

SEWARD MERIDIAN

S 14-1, Ts. 13 to 16 N., Rs. 9 to 12 E.,
S 14-2, Ts. 13 to 16 N., Rs. 5 to 8 E.,
S 14-3, Ts. 13 to 16 N., Rs. 1 to 4 E.,
S 14-4, Ts. 9 to 12 N., Rs. 1 to 4 E.,
S 14-5, Ts. 9 to 12 N., Rs. 5 to 8 E.,
S 14-6, Ts. 9 to 12 N., Rs. 9 to 12 E.,
S 14-7, Ts. 5 to 8 N., Rs. 9 to 12 E.,
S 14-8, Ts. 5 to 8 N., Rs. 5 to 8 E.,
S 14-9, Ts. 5 to 8 N., Rs. 1 to 4 E.,
S 14-10, Ts. 1 to 4 N., Rs. 1 to 4 E.,
S 14-11, Ts. 1 to 4 N., Rs. 5 to 8 E.,
S 14-12, Ts. 1 to 4 N., Rs. 9 to 12 E.,
S 14-13, Ts. 1 to 3 N., Rs. 13 to 15 E.,
S 15-1, Ts. 1 to 4 S., Rs. 9 to 13 E.,
S 15-2, Ts. 1 to 3 S., Rs. 5 to 8 E.,
S 15-3, Ts. 1 to 4 S., Rs. 1 to 4 E.

Copies of these diagrams are for sale at one dollar (\$1.00) per sheet by the Cadastral Engineering Office, Bureau of Land Management, mailing address: 6th and Cordova, Anchorage, Alaska.

DALE E. ZIMMERMAN,
Acting Manager.

[F.R. Doc. 60-7501; Filed, Aug. 10, 1960; 8:50 a.m.]

[Notice 27]

ALASKA

Notice of Filing of Alaska Protraction Diagram; Anchorage Land District

AUGUST 5, 1960.

Notice is hereby given that effective with this publication, the following protraction diagrams are officially filed of record in the Anchorage Land Office, 6th and Cordova, Anchorage, Alaska. In accordance with 43 CFR 192.42a(c) (24 F.R. 4140, May 22, 1959), these protractions will become the basic record for the description of oil and gas lease offers, State Selection applications under 43 CFR 76.9(a) (4) (24 F.R. 4657), and other authorized uses filed at and subsequent to 10:00 a.m. on the thirty-first day after the publication of this notice.

ALASKA PROTRACTION DIAGRAM (UNSURVEYED),
APPROVED JUNE 30, 1960

SEWARD MERIDIAN

S 21-1, Ts. 17 to 20 S., Rs. 49 to 52 W.,
S 21-2, Ts. 17 to 18 S., Rs. 53 to 55 W.,
S 21-3, Ts. 17 to 21 S., Rs. 57 to 61 W.,
S 21-4, Ts. 17 to 18 S., Rs. 65 to 68 W.,
S 21-5, Ts. 17 to 19 S., Rs. 69 to 72 W.,
S 21-6, Ts. 17 to 19 S., Rs. 73 to 78 W.,
S 21-7, Ts. 21 to 24 S., Rs. 49 to 51 W.

Copies of these diagrams are for sale at one dollar (\$1.00) per sheet by the Cadastral Engineering Office, Bureau of

Land Management, mailing address: 6th and Cordova, Anchorage, Alaska.

DALE E. ZIMMERMAN,
Acting Manager.

[F.R. Doc. 60-7502; Filed, Aug. 10, 1960; 8:50 a.m.]

ATOMIC ENERGY COMMISSION

[Docket No. 50-170]

NATIONAL NAVAL MEDICAL CENTER

Notice of Application for Construction Permit and Utilization Facility License

Please take notice that the National Naval Medical Center, under section 104c of the Atomic Energy Act of 1954, as amended, has submitted an application for a license authorizing construction and operation of a TRIGA tank-type nuclear reactor at the National Naval Medical Center site in Bethesda, Maryland. The reactor will be designed by the General Atomic Division of General Dynamics Corporation. Steady-state operation up to 100 kilowatts (thermal), 1000 kilowatt operation for periods not to exceed 10 minutes each and pulsed operation involving energy releases of about 20 megawatt seconds each are proposed. A copy of the application is available for public inspection in the AEC's Public Document Room, 1717 H Street NW., Washington, D.C.

Dated at Germantown, Md., this 4th day of August 1960.

For the Atomic Energy Commission.

R. L. KIRK,
Deputy Director, Division of Licensing and Regulation.

[F.R. Doc. 60-7452; Filed, Aug. 10, 1960; 8:45 a.m.]

CIVIL AERONAUTICS BOARD

[Docket 10900]

ALLEGHENY AIRLINES, INC.

Notice of Hearing

In the matter of Allegheny Airlines, Inc., no-reservation fare.

Notice is hereby given, pursuant to the provisions of the Federal Aviation Act of 1958, as amended, that a hearing in the above-entitled proceeding is assigned to be held on August 29, 1960, at 10:00 a.m., e.d.t., in Room 725, Universal Building, 1825 Connecticut Avenue NW., Washington, D.C., before Examiner Barmon Fredricks.

Dated at Washington, D.C., August 5, 1960.

[SEAL] FRANCIS W. BROWN,
Chief Examiner.

[F.R. Doc. 60-7500; Filed, Aug. 10, 1960; 8:50 a.m.]

FEDERAL COMMUNICATIONS COMMISSION

[Docket Nos. 13692, 13693; FCC 60-906]

EMPIRE COMMUNICATIONS CO. AND TELEPHONE ANSWERING SERVICE

Order Designating Applications for Consolidated Hearing on Stated Issues

In re applications of Leslie F. Smith, Jr., d/b as Empire Communications Company, for construction permits to establish a new two-way communication service in the Domestic Public Land Mobile Radio Service at Salem, Oregon, Docket No. 13692, File Nos. 2233-C2-P-59, 2234-C1-P/L-59; Vincent W. Elliott, d/b as Telephone Answering Service, for construction permits to establish a new two-way communication service in the Domestic Public Land Mobile Radio Service at Salem, Oregon, Docket No. 13693, File Nos. 2639-C2-P-59, 1530-C1-P/L-60.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 27th day of July 1960;

The Commission having under consideration the respective above-entitled applications for construction permits to establish new two-way communication services in the Domestic Public Land Mobile Radio Service at Salem, Oregon; and

It appearing that operation of the proposed facilities on a co-channel basis would result in harmful interference between them; and

It further appearing that the 1950 population of Salem, Oregon was 43,140 and that, in the absence of a factual showing to the contrary, it may not be economically feasible for two services to compete successfully in an area of this size; and

It further appearing that § 21.504 of our rules prescribes a median field strength contour of 37 decibels above one microvolt per meter as the limit of reliable service area for stations engaged in two-way communication service; and

It further appearing that the 37 dbu median field strength set forth in section 21.504 of our rules is based upon the Commission's Report No. T.R.R. 4.3.8., entitled "A Summary of the Technical Factors Affecting the Allocation of Land Mobile Facilities in the 152 to 158 Megacycle Band"; and

It further appearing that the procedure set forth in the Commission's Report No. T.R.R. 4.3.8., and use of the F(50,50) and F(50,10) radio wave propagation charts therein, are proper for evaluation of the service contour and interference potential of the stations proposed in this proceeding; and

It further appearing that in accordance with § 21.100 of the Commission's rules, each frequency available for assignment in the Domestic Public Land Mobile Radio Service is normally assigned exclusively to a single applicant in any service area in order to permit the rendition of service on an interference-free basis; and

It further appearing that the Commission has advised each of the applicants, by letters dated June 15, 1959, November 16, 1959, and March 2, 1960, pursuant to the provisions of section 309 (b) of the Communications Act of 1934, as amended, as to the reasons why such applications cannot be granted without hearing, and replies have been received from each of the applicants and such replies have been considered; and

It further appearing that each of the applicants herein is legally, financially and technically qualified to be a licensee in this service;

It is ordered, That pursuant to the provisions of section 309(b) of the Communications Act of 1934, as amended, the above-entitled applications are designated for hearing in a consolidated proceeding at the Commission's offices in Washington, D.C., on a date to be hereafter specified, upon the following issues:

(a) To determine, on a comparative basis, the nature and extent of the services proposed by each of the applicants, including rates, charges, practices, classifications, regulations, personnel and facilities pertaining thereto.

(b) To determine, on the basis of the engineering standards set out above, whether any harmful co-channel interference would result to either of the proposed facilities within their respective 37 dbu contours, and, if so, in view of the nature of the service proposed, whether such interference would be undesirable or intolerable.

(c) To determine the area and population which may be expected to receive service from each of the proposed stations and the need for such service in the area proposed to be served.

(d) To determine the public need and economic justification for two like competing radio communication systems in the Domestic Public Land Mobile Radio Service at Salem, Oregon.

(e) To determine, in the light of the evidence adduced on all the foregoing issues, which, if any, of the applications should be granted.

It is further ordered, That the Chief, Common Carrier Bureau is made a party to the proceedings herein;

It is further ordered, That the parties desiring to participate herein shall file their appearances in accordance with § 1.140 of the Commission's rules.

Released: August 8, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7495; Filed, Aug. 10, 1960;
8:49 a.m.]

[Docket Nos. 13747, 13748; FCC 60-957]

OREGON TELEVISION, INC., AND WILLAMETTE-LAND TELEVISION, INC.

Order Designating Applications for Consolidated Hearing on Stated Issues

In re applications of Oregon Television, Inc., Salem, Oregon, Docket No.

13747, File No. BPCT-2611; Willamette-Land Television, Inc., Salem, Oregon, Docket No. 13748, File No. BPCT-2651; for construction permits for new television broadcast stations.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 27th day of July 1960;

The Commission having under consideration the above-captioned applications, each requesting a construction permit for a new television broadcast station to operate on Channel 3, assigned to Salem, Oregon; and

It appearing that the applications of Oregon Television, Inc., and Willamette-Land Television, Inc., are mutually exclusive in that operation by both applicants as proposed would result in mutually destructive interference; and

It further appearing that Oregon Television, Inc. and Willamette-Land Television, Inc., each propose to operate from transmitter sites which do not meet the adjacent channel mileage separation for television broadcast stations as required by § 3.610 of the Commission's rules with respect to the post office reference point for Channel 2 in Portland, Oregon; that the award of a construction permit to either of the applicants in the pending hearing for Channel 2 in Portland, Oregon (Dockets Nos. 12657 and 12658) would establish a new reference point which would be at more than the minimum required distance from the sites proposed by Oregon Television, Inc. and Willamette-Land Television, Inc.; that Oregon Television, Inc. and Willamette-Land Television, Inc. have requested waivers of § 3.610 of the rules on the basis of the above-described hearing; and that the Commission is unable to determine at this time whether a waiver would be justified; and

It further appearing that Willamette-Land Television, Inc. has requested a waiver of § 3.613(a) of the rules to locate its main studios outside of Salem, and has shown good cause for the requested waiver; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, Oregon Television, Inc. and Willamette-Land Television, Inc. were advised by letters that their applications were mutually exclusive, of the necessity for a hearing and were advised of all objections to their applications and were given an opportunity to reply; and

It further appearing that Oregon Television, Inc. is also the licensee of Television Broadcast Station KPTV, Portland, Oregon, and that in the event the subject application were granted, the Grade A field intensity contour of the proposed station would overlap the Grade A field intensity contour of Station KPTV by approximately 13 miles and that Oregon Television, Inc. has requested a waiver of § 3.636 of the rules to permit the proposed overlap; and

It further appearing that Oregon Television, Inc. has requested that if the Commission should determine that its application is inconsistent with the provisions of § 3.636 of the rules and that a hearing issue is necessary on the question of compliance with the rules or

waiver thereof, that its contingent application (BPCT-2628) to modify its license for Television Broadcast Station KPTV, to eliminate substantially the overlap of Grade A field intensity contours of Station KPTV and the station here proposed, be considered with its application; and

It further appearing that since Oregon Television, Inc.'s contingent application is not part of its present application since it can not, by the terms of the contingency, be acted upon unless the subject application of Oregon Television, Inc. is granted, it cannot be considered at this time; and

It further appearing that upon due consideration of the above-captioned applications, the amendments thereto, and the replies to the above letters, the Commission finds that pursuant to section 309(b) of the Communications Act of 1934, as amended, a hearing is necessary; that Willamette-Land Television, Inc. is legally qualified to construct, own and operate the proposed television broadcast station and is technically so qualified except as to Issue "1" below; and that Oregon Television, Inc. is legally and financially, qualified to construct, own and operate the proposed television broadcast station, is technically so qualified except as to Issue "1" below, and is otherwise so qualified except as to Issue "2" below.

It is ordered, That pursuant to section 309(b) of the Communications Act of 1934, as amended, the above-captioned applications of Oregon Television, Inc. and Willamette-Land Television, Inc. are designated for hearing in a consolidated proceeding at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine whether facts and circumstances exist to justify a waiver of § 3.610 of the rules for either Oregon Television, Inc. and/or Willamette-Land Television, Inc.

2. To determine whether a grant of the application of Oregon Television, Inc. would be consistent with the provisions of § 3.636(a)(1) of the Commission's rules and regulations, in view of the overlap of the area to be served by the proposed station with the area served by Television Station KPTV, Portland, Ore.

3. To determine whether, if the answer to Issue 2 is in the negative, the Commission should grant Oregon Television, Inc. a waiver of § 3.636(a)(1) of the Commission's rules.

4. To determine whether Willamette-Land Television, Inc. is financially qualified to construct, own and operate the proposed television broadcast station.

5. To determine on a comparative basis which of the operations proposed in the above-captioned applications would better serve the public interest, convenience and necessity in light of the significant differences between the applicants as to:

(a) The background and experience of each having a bearing on its ability to own and operate the proposed television broadcast station.

(b) The proposals of each with respect to the management and operation

of the proposed television broadcast station.

(c) The programming service proposed in each of the above-captioned applications.

6. To determine, in the light of the evidence adduced pursuant to the foregoing issues, which, if either, of the applications should be granted.

It is further ordered, That Oregon Television, Inc.'s request for consideration with its instant application of its contingent application (BPCT-2628) to modify the license of Television Broadcast Station KPTV is denied.

It is further ordered, That the issues in the above-entitled proceeding may be enlarged by the Examiner on his own motion or on petition properly filed by a party to the proceeding and upon a sufficient allegation of facts in support thereof, by the addition of the following issue: To determine whether the funds available to the applicants will give reasonable assurance that the proposals set forth in the applications will be effectuated.

It is further ordered, That to avail themselves of the opportunity to be heard, Oregon Television, Inc., and Willamette-Land Television, Inc., pursuant to § 1.140(c) of the Commission's rules, in person or by attorney shall within twenty (20) days of the mailing of this order file with the Commission, in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

Released: August 8, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,

[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7496; Filed, Aug. 10, 1960;
8:49 a.m.]

[Docket Nos. 13749-13753; FCC 60-962]

ROLLINS BROADCASTING, INC., ET AL.

Order Designating Applications for Consolidated Hearing on Stated Issues

In re applications of: Rollins Broadcasting, Inc., Wilmington, Delaware, Docket No. 13749, File No. BPCT-2583; The Wilmington Television Co., Inc., Wilmington, Delaware, Docket No. 13750, File No. BPCT-2603; WHYI, Inc., Wilmington, Delaware, Docket No. 13751, File No. BPCT-2634; Metropolitan Broadcasting Corporation, Wilmington, Delaware, Docket No. 13752, File No. BPCT-2715; National Telefilm Associates, Inc., Wilmington, Delaware, Docket No. 13753, File No. BPCT-2769; for construction permits for new television broadcast stations.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 27th day of July 1960;

The Commission having under consideration the above-captioned applications, each requesting a construction permit for a new television broadcast

station to operate on Channel 12, assigned to Wilmington, Delaware;

It appearing that the above-captioned applications are mutually exclusive in that operation by all the applicants as proposed would result in mutually destructive interference; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, the above-named applicants were advised by letters that their applications were mutually exclusive, of the necessity for a hearing, and were advised of all objections to their applications and were given an opportunity to reply; and

It further appearing that the Commission indicated in the above-mentioned letter to The Wilmington Television Co., Inc., that it could not, on the basis of the balance sheets of the stockholders and in the absence of a deferred credit agreement, determine without hearing that the applicant was financially qualified to construct and operate the proposed station; and

It further appearing that The Wilmington Television Co., Inc. amended its application in response to the above-mentioned letter to show that one of the stockholders, Richard Goodman, would supply all of the necessary funds for construction and initial operation in the amount of \$397,338, and in support submitted a detailed balance sheet showing assets having a value of more than \$2,700,000 in excess of all liabilities and a copy of an agreement with RCA to extend credit in the amount of \$700,000, and that, therefore, The Wilmington Television Co., Inc., appears to be financially qualified; and

It further appearing that Metropolitan Broadcasting Corporation is the licensee of Stations WTTG (TV), Channel 5, Washington, D.C. and WNEW-TV, Channel 5, New York, N.Y. and that in the event the subject application were granted the proposed Grade B field intensity contour would overlap the WTTG (TV) Grade B field intensity contour by approximately 3 miles; that the proposed Grade A field intensity contour would overlap the WNEW-TV Grade B field intensity contour by approximately 17 miles; that the proposed Grade B field intensity contour would overlap the WNEW-TV Grade B field intensity contour by approximately 34 miles; and that the proposed Grade B field intensity contour would overlap the WNEW-TV Grade A field intensity contour by approximately 2 miles; and

It further appearing that National Telefilm Associates, Inc., owns 100 percent of the stock of the licensee of Station WNTA-TV, Channel 13, Newark, New Jersey; and that in the event the subject application were granted the proposed Grade B field intensity contour would overlap the WNTA-TV Grade A field intensity contour by approximately 13 miles and the proposed 77 dbu field intensity contour would overlap the WNTA-TV Grade B field intensity contour by approximately 6 miles; and

It further appearing that WHYI, Inc., has requested the enlargement of the standard comparative issue to permit the introduction of programming of

other television broadcast stations serving the area; that such evidence is not normally encompassed within the standard comparative issue; and that the Commission believes that the requested enlargement is not justified because the subject matter is not relevant to a comparative determination; and

It further appearing that on July 20, 1960, the Commission sent a letter to the licensee of Station WNTA-TV, Channel 13, Newark, New Jersey, in connection with its pending applications for renewal of license (BRCT-329) raising questions with respect to whether, in the dealings with educational and other interests in New Jersey, said licensee has been guilty of bad faith and unfair dealings; as to whether substantial variances exist between program proposals set forth in broadcast applications filed by the licensee and the actual programming operations of the station; and as to whether misrepresentations were made to the Commission in connection with the licensee's replies to Commission correspondence relating to the allegations made by Rutgers University; and

It further appearing that upon due consideration of the above-captioned applications, the amendments thereto, and the replies to the above letters, the Commission finds that WHYI, Inc. and The Wilmington Television Co., Inc., are legally, financially, technically and otherwise qualified to construct, own and operate the proposed television broadcast stations; that Rollins Broadcasting, Inc., is, on the basis of the information presently before us, legally and financially qualified to construct, own and operate the proposed television broadcast station and is technically so qualified except with respect to issue "1" below; that Metropolitan Broadcasting Corporation is, on the basis of the information presently before us, legally qualified to construct, own and operate the proposed television broadcast station and is technically so qualified; that National Telefilm Associates, Inc., is, on the basis of the information presently before us, and subject to whatever further action which may be required as a result of the reply to the Commission's letter of July 20, 1960, to Station WNTA-TV, legally qualified to construct, own and operate the proposed television broadcast station and is technically so qualified.

It is ordered, That pursuant to section 309(b) of the Communications Act of 1934, as amended, the above-captioned applications of Rollins Broadcasting, Inc., The Wilmington Television Co., Inc., WHYI, Inc., Metropolitan Broadcasting Corporation, and National Telefilm Associates, Inc., are designated for hearing in a consolidated proceeding at a time and place to be specified in a subsequent order, upon the following issues:

1. To determine whether the antenna system and site proposed by Rollins Broadcasting, Inc., would constitute a hazard to air navigation.

2. To determine whether Metropolitan Broadcasting Corporation is financially qualified to construct, own and operate the proposed television broadcast station.

3. To determine whether a grant of the application of Metropolitan Broadcasting Corporation would be consistent

with the provisions of § 3.636(a) (1) of the Commission's rules, in view of the overlap of the area to be served by the proposed station with the area served by Station WTTG (TV) in Washington, D.C., and WNEW-TV, New York, N.Y.

4. To determine whether a grant of the application of Metropolitan Broadcasting Corporation would result in an undue concentration of control of broadcast stations and hence be contrary to the provisions of § 3.636(a) (2) of the Commission's rules, and inconsistent with the public interest, convenience and necessity, in view of the applicant's operation of television broadcast stations in Washington, D.C. (WTTG) and New York City (WNEW-TV).

5. To determine whether National Telefilm Associates, Inc., is financially qualified to construct, own and operate the proposed television broadcast station.

6. To determine whether a grant of the application of National Telefilm Associates, Inc., would be consistent with the provisions of § 3.636(a) (1) of the Commission's rules, in view of the overlap of the area to be served by the proposed station with the area served by WNTA-TV, Newark, N.J.

7. To determine on a comparative basis which of the operations proposed in the above-captioned applications would better serve the public interest, convenience and necessity in light of the significant difference between the applicants as to:

(a) The background and experience of each having a bearing on its ability to own and operate the proposed television broadcast station.

(b) The proposals of each with respect to the management and operation of the proposed television broadcast station.

(c) The programming service proposed in each of the above-captioned applications.

8. To determine in light of the evidence adduced pursuant to the foregoing issues which of the applications should be granted.

It is further ordered, That the request of WHYI, Inc., for enlargement of the standard comparative issue is denied.

It is further ordered, That the issues in the above-entitled proceeding may be enlarged by the Examiner on his own motion or on petition properly filed by a party to the proceeding and upon a sufficient allegation of facts in support thereof, by the addition of the following issue: To determine whether the funds available to the applicants will give reasonable assurance that the proposals set forth in the applications will be effectuated.

It is further ordered, That to avail themselves of the opportunity to be heard Rollins Broadcasting, Inc., The Wilmington Television Co., Inc., WHYI, Inc., Metropolitan Broadcasting Corporation, and National Telefilm Associates, Inc., pursuant to § 1.140(c) of the Commission's rules, in person or by attorney, shall within twenty (20) days of the mailing of this order file with the Commission, in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and

present evidence on the issues specified in this order.

Released: August 8, 1960.

FEDERAL COMMUNICATIONS

COMMISSION,

[SEAL]

BEN F. WAPLE,

Acting Secretary.

[F.R. Doc. 60-7497; Filed, Aug. 10, 1960; 8:50 a.m.]

[Docket No. 13711-13736; FCC 60-942]

TRIANGLE PUBLICATIONS, INC.
(WNHC) ET AL.

Order Designating Applications for Consolidated Hearing on Stated Issues

In re applications of Triangle Publications, Inc. (WNHC), Radio and Television Division, New Haven, Connecticut, has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13711, File No. BP-12107; Charlottesville Broadcasting Corporation (WJMA), Orange, Virginia, has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13712, File No. BP-12161; Independence Broadcasting Company, Inc. (WHAT), Philadelphia, Pennsylvania, has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13713, File No. BP-12177; WKRZ, Inc. (WKRZ), Oil City, Pennsylvania, has: 1340 kc, 250 w, U, S.H. WSAJ, requests: 1340 kc, 250 w, 1 kw-LS, DA-Day, S.H.-WSAJ, Docket No. 13714, File No. BP-12231; WRAW, Inc. (WRAW), Reading, Pennsylvania, has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13715, File No. BP-12251; WBRE Radio, Inc. (WBRE), Wilkes Barre, Pennsylvania, has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13716, File No. BP-12340; C. M. Zinn and C. Leslie Golliday, d/b as Martinsburg Broadcasting Company (WEPM), Martinsburg, West Virginia, has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13717, File No. BP-12375; William S. Halpern and Louis N. Seltzer, d/b as Greater Princeton Broadcasting Company, Princeton, New Jersey, requests: 1350 kc, 5 kw, DA-2, U, Docket No. 13718, File No. BP-12412; for construction permits.

E. Anthony & Sons, Inc. (WNBH), New Bedford, Massachusetts, has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13719, File No. BP-12425; United Broadcasting Company, Inc. (WOOK), Washington, D.C., has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13720, File No. BP-12426; Community Broadcasting Service, Inc. (WWBZ), Vineland, New Jersey, has: 1360 kc, 1 kw, DA-N, U, requests: 1360 kc, 5 kw, DA-2, U, Docket No. 13721, File No. BP-12430; Community Broadcasting Corporation (WALL), Middletown, New York, has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13722, File No. BP-12532; Eastern Broadcasting Corporation (WHAP), Hopewell, Virginia, has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13723, File No. BP-12702; The New Jersey Broadcasting Company, Princeton, New Jersey, re-

quests: 1350 kc, 5 kw, DA-2, U, Docket No. 13724, File No. BP-12829; Mid-Atlantic Broadcasting Company (WMID), Atlantic City, New Jersey, has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13725; File No. BP-12922; Greylock-Broadcasting Company (WBRK), Pittsfield, Massachusetts, has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13726, File No. BP-13056; Nassau Broadcasting Company, Princeton, New Jersey, requests: 1350 kc, 5 kw, DA-2, U, Docket No. 13727; File No. BP-13064; for construction permits.

WSTV, Inc. (WSTV), Steubenville, Ohio, has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13728, File No. BP-13115; Fred Glosser, Isadore Glosser, Sydney Ossip and Herbert Sinberg, d/b as Gosco Broadcasters, Windber, Pennsylvania, requests: 1350 kc, 1 kw, Day, Docket No. 13729, File No. BP-13125; James N. Rodio and James Rodio, d/b as Rodio Radio, Hammonton, New Jersey, requests: 1320 kc, 500 w, DA, Day, Docket No. 13730, File No. BP-13426; Connellsville Broadcasters, Incorporated (WCVI), Connellsville, Pennsylvania, has: 1340 kc, 250 w, U, requests: 1340 kc, 250 w, 1 kw-LS, U, Docket No. 13731, File No. BP-13441; Norwalk Broadcasting Company, Incorporated (WNLK), Norwalk, Connecticut, has: 1350 kc, 500 w, Day, requests: 1350 kc, 500 w, 1 kw, DA-N, U, Docket No. 13732, File No. BP-13444; Cumberland Valley Broadcasting Corporation, Westernport, Maryland, requests: 1350 kc, 1 kw, Day, Docket No. 13733, File No. BP-13472; WKAP, Inc. (WKAP), Allentown, Pennsylvania, has: 1320 kc, 1 kw, DA-N, U, requests: 1320 kc, 1 kw, 5 kw-LS, DA-2, U, Docket No. 13734, File No. BP-13473; Harry A. Epperson, Sr., Luray, Virginia, requests: 1330 kc, 1 kw, Day, Docket No. 13735, File No. BP-13474; Dr. E. Z. Eperjessy, Louis Popp, and William H. Myers, d/b as Windber Community Broadcasting System, Windber, Pennsylvania, requests: 1350 kc, 1 kw, Day, Docket No. 13736, File No. BP-13475; for construction permits.

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 27th day of July 1960;

The Commission having under consideration the above-captioned and described applications;

It appearing that, upon the basis of the information presently before the Commission, except as indicated by the issues specified below, each of the instant applicants is legally, technically, financially and otherwise qualified to construct and operate its instant proposal; and

It further appearing that pursuant to section 309(b) of the Communications Act of 1934, as amended, the Commission, in a letter dated January 7, 1960, and incorporated herein by reference, notified the instant applicants, and any other known parties in interest, of the grounds and reasons for the Commission's inability to make a finding that a grant of any one of the applications would serve the public interest, convenience, and necessity; and that a copy of

the aforementioned letter is available for public inspection at the Commission's offices; and

It further appearing that the instant applicants filed timely replies to the aforementioned letter, which replies have not, however, entirely eliminated the grounds and reasons precluding a grant of the said applications and requiring an evidentiary hearing on the particular issues hereinafter specified; and

It further appearing that the Commission's letter of January 7, 1960, requested the submission of measurement data by the Independence Broadcasting Company, Inc. (WHAT, BP-12177) to establish that the proposed WHAT 25 mv/m contour would not overlap the 25 mv/m contour of Station WCAM, Camden, New Jersey, and that, in response to said request, the Independence Broadcasting Company, Inc., filed measurement data on April 14, 1960, which show that no overlap of the WHAT and WCAM 25 mv/m contours would occur; and

It further appearing that by the Commission letter of January 7, 1960, Norwalk Broadcasting Company, Incorporated (BP-13444) was advised that its proposal would involve 2 and 25 mv/m contour overlap with the existing operation of Station WEVD, New York, New York, but that in an amendment filed February 18, 1960, Norwalk submitted measurement data made on WEVD, New York, New York, and the existing operation of WNLK; that on the basis of this data, it appears that the proposed operation of WNLK does not involve a problem of 2 and 25 mv/m overlap with Station WEVD; that, moreover, it appears that any interference caused to WEVD, or WPOW, New York, New York, due to an overlap of their normally protected 0.5 mv/m contours with the proposed 15 mv/m contour of WNLK occurs in an urbanized area where sufficient signal is not provided by WEVD or WPOW for service in accordance with the Commission's rules; and

It further appearing that the Commission letter of January 7, 1960, advised the WBRE Radio, Inc., that its proposal would involve 2 and 25 mv/m overlap with the existing operation of Station WSCR, Scranton, Pennsylvania, but that in an amendment filed March 16, 1960, WBRE submitted measurement data made on their present operation and incorporated therein by reference the July, 1951 proof-of-performance measurements made on WSCR; that on the basis of this data, it appears that the proposed operation of WBRE does not involve a problem of 2 and 25 mv/m overlap with Station WSCR; and

It further appearing that on May 9, 1960, the United Broadcasting Company, Inc., amended its application (BP-12426) to specify a different transmitter site and that it has not yet been determined whether the antenna at the newly proposed site would constitute a hazard to air navigation; and

It further appearing that by the Commission's letter of January 7, 1960, the Community Broadcasting Service, Inc. (WWBZ) was requested to submit additional information regarding the feasibility

of adjusting and maintaining the proposed nighttime directional antenna system and other data which would permit a determination as to whether nighttime interference would be caused to Station WDRC, Hartford, Connecticut, or any other nighttime station; but that the requested information has not been submitted; and that the licensees of Stations WDRC and Station WPPA, Pottsville, Pennsylvania, in letters dated January 21 and February 6, 1960, respectively, requested that the proposed WWBZ operation be designated for hearing because of interference that may be caused to their normally protected nighttime service areas; and

It further appearing that in an engineering statement submitted by WKAP, Inc. (BP-13473) it is stated that the proposed WKAP operation would cause less interference to the proposed operation of The Monocacy Broadcasting Company (File No. BP-11325, Docket No. 12477) than the present one kilowatt daytime nondirectional operation of WKAP; but that a study of the WKAP proposal indicates that slight new interference would be caused to the proposed operation of The Monocacy Broadcasting Company toward the eastern extremity of Monocacy's proposed primary service area and, therefore, The Monocacy Broadcasting Company must be made a party to the hearing on the WKAP application; and

It further appearing that by letter dated January 20, 1960, the licensee of Station WORK, York, Pennsylvania, requested a hearing on the application of the Nassau Broadcasting Company (BP-13064) because of expected interference to Station WORK; but that a study of the Nassau Broadcasting Company proposal indicates that no objectionable interference would be caused to Station WORK; and

It further appearing that by letter dated January 19, 1960, Station WTRN, Tyrone, Pennsylvania, requested that its pending application (BMP-8790) for an increase in power, should be consolidated in a hearing proceeding with Connellsville Broadcasters, Incorporated (BP-13441); but that said pending application was not timely filed and therefore is not entitled to comparative consideration with Connellsville Broadcasters, Incorporated proposal; and

It further appearing that by letter dated January 13, 1960 Station WMCK, McKeesport, Pennsylvania, objected to a grant of Connellsville Broadcasters application (BP-13441); that by Commission letter dated January 7, 1960, Connellsville was advised that there might be an overlap of the 2 and 25 mv/m contours between its proposal and WMCK's proposal (BP-12263), which was designated for hearing on February 3, 1959 (Docket No. 12754); but that a restudy based on measurements in the WMCK files indicates that no 2 and 25 mv/m contour overlap would occur between the WCVI proposal and WMCK; and

It further appearing that on October 28, 1959, Station WFBG, Altoona, Pennsylvania, was granted a construction permit to change from 1340 kilocycles to 1290 kilocycles (Docket No. 12899); and that in the event Martinsburg Broad-

casting Company (BP-12375) or Connellsville Broadcasters, Incorporated (BP-13441) should be favored in hearing, the permittee shall not begin program tests until WFBG begins program tests on 1290 kilocycles and a license shall not be issued to the permittee until WFBG is licensed to operate on 1290 kilocycles; and

It further appearing that by petition dated February 1, 1960, Associated Broadcasters, Inc., licensee of Station WORK, York, Pennsylvania, requested that it be made a party to the hearing on the application of the Greater Princeton Broadcasting Company (BP-12412) because of the excessive daytime skywave interference that would be received by Station WORK from the proposal of Greater Princeton Broadcasting Company but that the Commission Rules do not provide protection to Class III stations on regional channels from daytime skywave interference; and

It further appearing that after consideration of the foregoing and the applicants' replies, the Commission is still unable to make the statutory finding that a grant of the applications would serve the public interest, convenience, and necessity; and is of the opinion that the applications must be designated for hearing in a consolidated proceeding on the issues specified below;

It is ordered, That, pursuant to section 309(b) of the Communications Act of 1934, as amended, the instant applications are designated for hearing in a consolidated proceeding, at a time and place to be specified in a subsequent Order, upon the following issues:

1. To determine the areas and populations which would receive new primary service from each of the instant proposals for a broadcast station, and the availability of other primary service to such areas and populations.

2. To determine the areas and populations which may be expected to gain or lose primary service from each of the instant proposals for a change in the facilities of an existing broadcast station and the availability of other primary service to such areas and populations.

3. To determine the nature and extent of the interference, if any, that each of the instant proposals would cause to and receive from each other and all other existing standard broadcast stations, the areas and populations affected thereby, and the availability of other primary service to the areas and populations affected by the interference from any of the instant proposals.

4. To determine whether the interference received from any of the other proposals herein and any existing stations would affect more than ten percent of the population within the normally protected primary service area of any one of the instant proposals in contravention of § 3.28(c) (3) of the Commission rules and, if so, whether circumstances exist which would warrant a waiver of said section.

5. To determine whether the following proposals would involve objectionable interference with the existing stations indicated below, or any other existing

standard broadcast stations, and, if so, the nature and extent thereof, the areas and populations affected thereby, and the availability of other primary service to such areas and populations.

Proposals and Existing Stations

- BP-12107 WALL, Middletown, N.Y.
WEVD, New York, N.Y.
WNLK, Norwalk, Conn.
WPOW, New York, N.Y.
- BP-12161 WHAP, Hopewell, Va.
WOOK, Washington, D.C.
- BP-12177 WMID, Atlantic City, N.J.
WRAW, Reading, Pa.
- BP-12251 WBRE, Wilkes Barre, Pa.
WHAT, Philadelphia, Pa.
- BP-12340 WALL, Middletown, N.Y.
WRAW, Reading, Pa.
WSCR, Scranton, Pa.
WPPA, Williamsport, Pa.
- BP-12375 WCVI, Connellsville, Pa.
WOOK, Washington, D.C.
- BP-12412 WNLK, Norwalk, Conn.
- BP-12425 WMID, Atlantic City, N.J.
WNHC, New Haven, Conn.
- BP-12426 WEPM, Martinsburg, W. Va.
WJMA, Orange, Va.
- BP-12430 WBAY, Green Bay, Wis.
WDRC, Hartford, Conn.
WPPA, Pottsville, Pa.
- BP-12532 WBRE, Wilkes Barre, Pa.
WBRK, Pittsfield, Mass.
WEVD, New York, N.Y.
WNHC, New Haven, Conn.
- BP-12702 WJMA, Orange, Va.
WEET, Richmond, Va.
- BP-12829 WNLK, Norwalk, Conn.
- BP-12922 WHAT, Philadelphia, Pa.
WNBH, New Bedford, Mass.
WNHC, New Haven, Conn.
- BP-13056 WALL, Middletown, N.Y.
WENT, Gloversville, N.Y.
- BP-13115 WHAZ, Troy, N.Y.
WADC, Akron, Ohio.
WAMP, Pittsburgh, Pa.
WCVI, Connellsville, Pa.
WHAR, Clarksburg, W. Va.
WKRZ, Oil City, Pa.
WNCO, Ashland, Ohio.
WSAJ, Grove City, Pa.
- BP-13125 WKMC, Roaring Springs, Pa.
WORK, York, Pa.
- BP-13441 WMCK, McKeesport, Pa.
WAMP, Pittsburgh, Pa.
WEPM, Martinsburg, W. Va.
WHAR, Clarksburg, W. Va.
WKRZ, Oil City, Pa.
WMCK, McKeesport, Pa.
WSAJ, Grove City, Pa.
WSTV, Steubenville, Ohio.
WTRN, Tyrone, Pa.
- BP-13444 WNHC, New Haven, Conn.
- BP-13472 WORK, York, Pa.
- BP-13473 The Monocacy Broadcasting Co.,
NEW, BP-11325, D-12477, Gettysburg, Pa.
- BP-13475 WKMC, Roaring Springs, Pa.
WORK, York, Pa.
WMCK, McKeesport, Pa.

6. To determine whether the nighttime directional antenna system proposed by the Community Broadcasting Service, Inc. (BP-12430) can be adjusted and maintained as proposed, and, if not, whether the proposed operation of WWBZ would cause objectionable nighttime interference to WDRC, Hartford, Connecticut, to WPPA, Pottsville, Pennsylvania, or to any other existing standard broadcast station.

7. To determine whether the transmitter site proposed by each of the following applicants is satisfactory with particular regard to any conditions that may exist in the vicinity of the antenna

system which would distort the proposed antenna radiation pattern:

Triangle Publications, Inc. (BP-12107).
WRAW, Inc. (BP-12251).
Mid-Atlantic Broadcasting Co. (BP-12922).
Greylock Broadcasting Co. (BP-13056).

8. To determine whether the roof-top antenna system proposed by WRAW, Inc. (BP-12251) is in compliance with § 3.188(d) of the rules, and, if not, whether circumstances exist which would warrant a waiver of said section.

9. To determine whether the antenna system proposed by United Broadcasting Company, Inc. (BP-12426) would constitute a hazard to air navigation.

10. To determine, in the light of section 307(b) of the Communications Act of 1934, as amended, which of the instant proposals would best provide a fair, efficient and equitable distribution of radio service.

11. To determine on a comparative basis, in the event that Princeton, New Jersey or Windber, Pennsylvania, is or are, selected as having the greatest need pursuant to section 307(b) which of the competing applicants for that city would better serve the public interest in the light of the evidence adduced pursuant to the foregoing issues and the record made with respect to the significant differences between the applicants as to:

(a) The background and experience of each having a bearing on the applicant's ability to own and operate its proposed station.

(b) The proposals of each of the applicants with respect to the management and operation of the proposed station.

(c) The programming service proposed in each of the said applications.

12. To determine in the light of the evidence adduced, pursuant to the foregoing issues which, if any, of the instant applications should be granted.

It is further ordered, That the following licensees of the stations indicated are made parties to the proceeding:

Debs Memorial Radio Fund, Inc. (WEVD).
WPOW, Inc. (WPOW).
Lackawanna Valley Broadcasting Co. (WSCR).
Williamsport Radio Broadcasting Association, Inc. (WPPA).
Norbertine Fathers (WBAY).
Radio Richmond, Inc. (WEET).
WENT Broadcasting Corp. (WENT).
Rensselaer Polytechnic Institute (WHAZ).
Allen T. Simmons, Inc. (WADC).
National Broadcasting Co., Inc. (WAMP).
Harrison Corp. (WHAR).
Cove Broadcasting Co., Inc. (WKMC).
Mon-Yough Broadcasting Co. (WMCK).
Associated Broadcasters, Inc. (WORK).
Monocacy Broadcasting Co. (BP-11325).
Radio Ashland, Inc. (WNCO).
A. V. Tidmore tr/as Pottsville Broadcasting Co. (WPPA).
Grove City College (WSAJ).
Cary H. Simpson tr/as Tyrone Broadcasting Co. (WTRN).
Buckley-Jaeger Broadcasting Corp. of Connecticut (WDRC).

It is further ordered, That the following licensees which are applicants in the instant proceeding are made parties thereto with respect to their existing operations:

Community Broadcasting Corp. (WALL).
Norwalk Broadcasting Co., Inc. (WNLK).
Eastern Broadcasting Corp. (WHAP).

United Broadcasting Co., Inc. (WOOK).
Mid-Atlantic Broadcasting Co. (WMID).
WRAW, Inc. (WRAW).
WBRE Radio, Inc. (WBRE).
Independence Broadcasting Co., Inc. (WHAT).
Connellsville Broadcasters, Inc. (WCVI).
Triangle Publications, Inc. (WNHC).
Greylock Broadcasting Co. (WBRK).
WKRZ, Inc. (WKRZ).
WSTV, Inc. (WSTV).
Martinsburg Broadcasting Co. (WEPM).
Charlottesville Broadcasting Corp. (WJMA).
E. Anthony & Sons, Inc. (WNBH).

It is further ordered, That, in the event of a grant of the application of C. M. Zinn and C. Leslie Golliday d/b as Martinsburg Broadcasting Company, the construction permit shall contain a condition that program tests will not be authorized until Station WFBG, Altoona, Pennsylvania, is authorized program tests on a frequency other than 1340 kilocycles; and a license to cover construction permit will not be issued until Station WFBG is licensed on a frequency other than 1340 kilocycles.

It is further ordered, That, in the event of a grant of the application of Connellsville Broadcasters, Incorporated, the construction permit shall contain a condition that program tests will not be authorized until Station WFBG, Altoona, Pennsylvania, is authorized program tests on a frequency other than 1340 kilocycles; and a license to cover construction permit will not be issued until Station WFBG is licensed on a frequency other than 1340 kilocycles.

It is further ordered, That, to avail themselves of the opportunity to be heard, the instant applicants and parties respondent herein, pursuant to § 1.140 of the Commission rules, in person or by attorney, shall, within 20 days of the mailing of this order, file with the Commission, in triplicate, a written appearance stating an intention to appear on the date fixed for the hearing and present evidence on the issues specified in this order.

It is further ordered, That the issues in the above-captioned proceeding may be enlarged by the Examiner, on his own motion or on petition properly filed by a party to the proceeding, and upon sufficient allegations of fact in support thereof, by the addition of the following issue: To determine whether the funds available to the applicant will give reasonable assurance that the proposals set forth in the application will be effectuated.

Released: August 5, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7498; Filed, Aug. 10, 1960;
8:50 a.m.]

[FCC 60-979]

DELEGATION OF AUTHORITY TO A BOARD OF COMMISSIONERS TO INSTITUTE INVESTIGATIONS

At a session of the Federal Communications Commission held at its offices in Washington, D.C., on the 29th day of July 1960;

The Commission having under consideration its announcement of May 3, 1960, regarding its plans for one meeting and no hearings or oral arguments in August 1960; planned summer absences of its members; and the limitation on the delegation of authority to a Board of Commissioners, contained in section 0.213 of the Commission's Statement of Organization, Delegations of Authority and Other Information, whereby such Board cannot institute investigations;

It appearing that a quorum of the Commission may not be present at times during the period from August 2, 1960 to September 9, 1960, inclusive;

It further appearing that it is necessary to the proper functioning of the Commission and the prompt and orderly conduct of its business, that a Board of Commissioners be authorized to institute investigations whenever a quorum of the Commission is not present during the above-specified period;

It is ordered, That, pursuant to section 5(d)(1) of the Communications Act of 1934, as amended, during the period from August 2, 1960 to September 9, 1960, inclusive, there is delegated to a Board of Commissioners, to be composed of all Commissioners present and able to act during said period, authority to institute investigations whenever a quorum of the Commission is not present.

Released: August 4, 1960.

FEDERAL COMMUNICATIONS
COMMISSION,
[SEAL] BEN F. WAPLE,
Acting Secretary.

[F.R. Doc. 60-7499; Filed, Aug. 10, 1960;
8:50 a.m.]

FEDERAL RESERVE SYSTEM

MARINE MIDLAND CORPORATION

Notice of Receipt of Application Under Bank Holding Company Act

Notice is hereby given that the Board of Governors of the Federal Reserve System has received an application by the Marine Midland Corporation, Buffalo, New York, pursuant to section 3(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842), for the Board's prior approval of the acquisition by that Corporation of all of the 50,200 voting shares of The First National Bank of Poughkeepsie, Poughkeepsie, New York.

In determining whether to approve this application the Board is required by said Act to take into consideration the following factors: (1) The financial history and condition of the company and the bank concerned; (2) Their prospects; (3) The character of their management; (4) The convenience, needs, and welfare of the communities and the area concerned; and (5) Whether or not the effect of such acquisition would be to expand the size or extent of the bank holding company system involved beyond limits consistent with adequate and sound banking, the public interest, and the preservation of competition in the field of banking.

Not later than thirty days after the publication of this notice in the FEDERAL

REGISTER, comments and views regarding the proposed acquisition may be filed with the Board. Communications should be addressed to the Secretary, Board of Governors of the Federal Reserve System, Washington 25, D.C.

Dated at Washington, D.C., this 4th day of August 1960.

By order of the Board of Governors.

[SEAL] KENNETH A. KENYON,
Assistant Secretary.

[F.R. Doc. 60-7473; Filed, Aug. 10, 1960;
8:46 a.m.]

FEDERAL POWER COMMISSION

[Docket Nos. RI60-447—RI60-456]

HUMBLE OIL & REFINING CO. ET AL.

Correction

AUGUST 1, 1960.

In the Order Providing for Hearings on and Suspension of Proposed Changes in Rates, and Allowing Increased Rates To Become Effective Subject To Refund, issued June 30, 1960 and published in the FEDERAL REGISTER on July 8, 1960 (25 F.R.; p. 6446-47-48): After "By the Commission." strike the present statement and insert in lieu thereof the following: "Commissioner Kline dissenting as to the suspension of the filings in Docket Nos. RI60-451, RI60-454 and RI60-456 and Supplement No. 5 to Humble Oil & Refining Company's FPC Gas Rate Schedule No. 33 in Docket No. RI60-447. He would reject the filings in Docket No. RI60-540."

MICHAEL J. FARRELL,
Acting Secretary.

[F.R. Doc. 60-7471; Filed, Aug. 10, 1960;
8:46 a.m.]

[Docket No. RI60-435]

UNION PRODUCING CO.

Order Denying Motion for Recon- sideration and Consolidation, and Amending Order

AUGUST 4, 1960.

On May 26, 1960, Union Producing Company (Union) tendered for filing Supplements Nos. 5 to its FPC Gas Rate Schedules Nos. 215 and 216. Said supplements propose rate increases from 18.75 cents per Mcf to 26.75 cents per Mcf¹ for natural gas sold to Union's affiliate, United Gas Pipe Line Company (United), from leases in Terrebonne Parish, Louisiana. By order issued June 24, 1960, we suspended the operation of those supplements and deferred the use of the proposed rates until December 1, 1960. Additionally, the order provided that a public hearing be held on September 7, 1960, concerning the lawfulness of the proposed increased rates.

On July 8, 1960, Union filed a motion which it termed a "Motion For Rehearing" but which is in fact a motion for reconsideration of our order of June 24,

¹ Including 1.75 cents per Mcf Louisiana tax reimbursement.

1960, and a request that this proceeding be consolidated with the proceedings in Docket Nos. G-13811, et al.¹ In its motion, Union states that Docket No. G-13811 involves the same sales from the same leases as is involved in this proceeding. In Docket No. G-13811 Union proposes to increase the price of natural gas to United from 10 cents per Mcf to 17 cents per Mcf. Union avers that the "evidence and exhibits in the consolidated proceeding (Docket No. G-13811, et al.) are in its belief and judgment adequate and sufficient to cover and include all issues necessary to decision of any question which may arise in Docket No. R160-435." Thus Union is now contending that the testimony and evidence it introduced to support an increased price of 17 cents per Mcf of gas should now be considered as support for an increased price of 26.75 cents per Mcf.

However, Union presented its testimony and evidence in Docket No. G-13811, et al., on June 23, 1959, and cross-examination of its witnesses was completed on October 16, 1959. The staff served its testimony and evidence on April 28, 1960, and cross-examination of the staff witnesses was completed on July 26, 1960. Upon completion of cross-examination of the staff witnesses, the Presiding Examiner recessed the consolidated proceeding until November 14, 1960, at which time cross-examination of witnesses for the interveners will begin. We believe that to interject the new proposed rate increase into the consolidated proceeding, in view of its present posture, would be disruptive and would accomplish no useful purpose. Additionally, we said in the order issued on June 24, 1960, in this proceeding, that this proceeding "should be heard forthwith at the earliest practicable date." Therefore, we shall amend said order to fix the procedure to be followed in the initial phase of this proceeding.

The Commission finds:

(1) For the reasons heretofore stated it is necessary in the public interest that the motion filed July 8, 1960, by Union for reconsideration and consolidation be denied.

(2) The order issued June 24, 1960, in this proceeding, should be amended to provide that Union shall serve its direct evidence on all parties to the proceeding on or before September 7, 1960, and thereafter, the public hearing provided for shall convene on September 19, 1960, at which time Union's witnesses shall adopt their testimony and be cross-examined thereon. Thereafter, the Examiner will grant such recesses as he deems necessary and proper, to enable the staff and other parties to expeditiously present such testimony and evidence as they deem necessary.

The Commission orders:

(A) The motion for reconsideration and consolidation filed on July 8, 1960, by Union Producing Company be and the same is hereby denied.

¹ A motion or application for rehearing of an interlocutory order, such as is here involved, may not properly be filed, § 1.30(e) of the rules of practice and procedure (18 CFR § 1.30(e)).

(B) Ordering paragraph (A) of the order issued June 24, 1960, in this proceeding, is amended to read: Pursuant to the authority of the Natural Gas Act, particularly sections 4 and 15 thereof, the Commission's rules of practice and procedure and the regulations under the Natural Gas Act (18 CFR Ch. I) Union Producing Company shall serve its direct evidence in support of its proposed increased rates and charges upon all parties to this proceeding on or before September 7, 1960, and thereafter a public hearing will be held on September 19, 1960, at 10:00 a.m., e.d.s.t., in a Hearing Room of the Federal Power Commission, 441 G Street NW., Washington, D.C., at which time Union Producing Company's witnesses shall adopt the testimony served upon the parties and shall be cross-examined thereon. Thereafter, the Examiner shall grant such recesses as he deems necessary and proper, to enable the staff and other parties to expeditiously present such testimony and evidence as they deem necessary.

(C) Except as amended by paragraph (B) above, the order issued June 24, 1960, in this proceeding, shall remain in effect.

By the Commission.

MICHAEL J. FARRELL,
Acting Secretary.

[F.R. Doc. 60-7472; Filed, Aug. 10, 1960; 8:46 a.m.]

GENERAL SERVICES ADMINISTRATION

VANADIUM ORES, CONCENTRATES AND PENTOXIDES HELD IN THE NATIONAL STOCKPILE

Proposed Disposition

Pursuant to the provisions of section 3(e) of the Strategic and Critical Materials Stock Piling Act, 53 Stat. 811, as amended, 50 U.S.C. 98b(e), notice is hereby given of a proposed disposition of approximately 4,310 short tons of low-grade vanadium ore, approximately 2,950 short tons of lead vanadate concentrates and approximately 35,350 pounds of subgrade fused vanadium oxide (pentoxide) now held in the national stockpile.

The Office of Civil and Defense Mobilization and its predecessor agency, the Office of Defense Mobilization, have made revised determinations pursuant to section 2(a) of the Strategic and Critical Materials Stock Piling Act, that there is no longer any need for stockpiling these materials. The revised determinations were based upon the finding that said low-grade vanadium ore, lead vanadate concentrates and subgrade fused vanadium oxide (pentoxide) are obsolescent for use in time of war.

General Services Administration proposes to transfer the vanadium ores, concentrates and pentoxides to other Government agencies, or to offer them for sale on a competitive basis, beginning six months after the date of publi-

cation of this notice in the FEDERAL REGISTER.

This plan and the date of disposition have been fixed with due regard to the protection of producers, processors and consumers against avoidable disruption of their usual markets as well as the protection of the United States against avoidable loss on disposal.

Dated: August 4, 1960.

FRANKLIN FLOETE,
Administrator.

[F.R. Doc. 60-7475; Filed, Aug. 10, 1960; 8:47 a.m.]

SECURITIES AND EXCHANGE COMMISSION

[File No. 812-1285]

COLORADO DIVERSIFIED INVESTMENT CO.

Notice of Filing of Application

AUGUST 4, 1960.

Notice is hereby given that Colorado Diversified Investment Co. ("Applicant"), a corporation organized under the laws of the State of Colorado, has filed an application and an amendment thereto pursuant to section 6(d) of the Investment Company Act of 1940 ("Act"), and Rule 6d-1 promulgated thereunder, for an order of the Commission exempting it from any or all provisions of the Act. Applicant has undertaken to effect compliance with such provisions of the Act as the Commission may, pursuant to section 6(e) of the Act, deem necessary or appropriate in the public interest or for the protection of investors, and with such conditions as the Commission may impose pursuant to section 6(d) of the Act.

The application makes the following representations:

Applicant, a closed-end, diversified management investment company, was organized on October 5, 1959. It has no operating or financial history. No securities of the company have been issued. It is proposed to offer 39,500 shares of capital stock at an offering price of \$2.50 per share, for an aggregate offering price of \$98,750, such offering to be made only to residents of the State of Colorado.

As the proceeds from the sale of such securities are received, the net portion thereof, 90 percent, will be placed in an escrow account until such time as all proceeds have been so received. Thereafter, applicant intends to invest such proceeds in common stocks with the objective of capital appreciation. Applicant does not intend to invest more than 10 percent of its assets in the securities of any one issuer.

Section 6(d) of the Act provides that the Commission shall exempt a closed-end investment company from any or all provisions of the Act, but subject to such terms and conditions as may be necessary or appropriate in the public interest or for the protection of investors, if the

aggregate sums received from the sale of all its securities, outstanding and proposed to be offered, do not exceed \$100,000 and if the sale of its securities is restricted to the residents of the state of its organization.

Section 6(e) of the Act provides that if, in connection with any order exempting any investment company from any provision of section 7, the Commission deems it necessary or appropriate in the public interest or for the protection of investors that certain specified provisions of the Act pertaining to registered investment companies shall be applicable in respect to such company, the provisions so specified shall apply to such company, and to other persons in their transactions and relations with such company, as though such company were a registered investment company.

The Division of Corporate Regulation has recommended that exemptions be granted Applicant from the following provisions of the Act and the respective rules and regulations promulgated under each of such provisions, and that Applicant and other persons in their transactions and relations with Applicant shall be subject to all other provisions of the Act and rules and regulations thereunder as though Applicant were a registered investment company:

Section 7; section 8(b), except the requirement to file the information required by Items 3, 4, and 5 of Form N-8B-1, and to report to the Commission any changes thereafter in respect thereof; section 14; section 20(a); section 23(c); section 30(a); section 30(b), except that the subject company shall, pursuant to section 30(b)(2), file with the Commission copies of all reports sent to stockholders pursuant to section 30(d), of which the annual reports to stockholders shall be accompanied by a certificate of independent public accountants pursuant to section 30(e); section 30(f), to the extent that the subject persons shall not be required to file reports more than once each six months; and section 32(a): *Provided*, That Applicant shall continue to comply with the provisions of sections 6(d)(1) and 6(d)(2) of the Act and shall at all times maintain its classification as a closed-end company as defined in section 5(a)(2) of the Act.

Notice is further given that any interested person may, not later than August 18, 1960 at 5:30 p.m., submit to the Commission in writing a request for a hearing on the matter accompanied by a statement as to the nature of his interest, the reasons for such request and the issues of fact or law proposed to be controverted, or he may request that he be notified if the Commission should order a hearing thereon. Any such communication should be addressed: Secretary, Securities and Exchange Commission, Washington 25, D.C. At any time after said date, as provided by Rule O-5 of the rules and regulations promulgated under the Act, an order disposing of the application herein may be issued by the Commission upon the basis of the showing contained in said application, unless an order for hearing upon said application

shall be issued upon request or upon the Commission's own motion.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F.R. Doc. 60-7479; Filed, Aug. 10, 1960;
8:47 a.m.]

INTERSTATE COMMERCE COMMISSION

[No. 33434]

MIDDLE ATLANTIC AND NEW ENGLAND TERRITORY

Detention of Motor Vehicles

JULY 13, 1960.

By a petition filed April 29, 1960, the Middle Atlantic Conference, a non-profit corporation through which approximately 1,300 member motor common carriers of property publish and file their tariffs, prays that the Interstate Commerce Commission, upon its own motion, institute an investigation into charges for the detention of vehicles by consignors or consignees incident to the loading or unloading of truckload shipments, and the rules, regulations and practices in connection therewith, of all common carriers by motor operating in Middle Atlantic Territory and New England Territory (as defined in Ex Parte MC-20 and Ex Parte MC-22, 24 M.C.C. 501 at pages 631-633 and 8 M.C.C. 287 at pages 330 and 331).

The petitioner states that the present rules or lack of uniformity among the carriers with respect to detention charges has created chaos in the area. A detention rule (Rule 47) was established by the petitioner in its tariffs MF-I.C.C. Nos. A-919 and A-970 effective January 28, 1957, but because of "Flag-outs" never became effective at all for particular traffic and particular movements and particular carriers. Many shippers simply refuse to pay the applicable detention charges and the petitioner states that for the carriers not to be compensated for equipment and employees made idle by shippers and consignees is to jeopardize the financial condition of the carriers and consequently impair their ability to perform their duty to render adequate service. Petitioner asserts that to recover the expense of delays by increased rates is to force the shippers and receivers who do not delay equipment to pay for the delays of others, penalizes the efficient shippers and receivers, and aggravates the unlawful discrimination inherent in the absence of a fair and uniform detention rule fairly and uniformly applied.

The petitioner cites Class Rates, Middle Atlantic & New England Territories, 67 M.C.C. 741, decided August 2, 1956, wherein Division 3 concluded that the imposition of area and pier arbitraries at New York City and Philadelphia were not shown to be just and reasonable and further stated that "in the absence of the area and pier arbitraries, more carriers

could be expected to apply the detention rule." Accordingly, the petitioner established the aforementioned tariff Rule 47. Finding the rule to be unworkable the petitioner now prays that the Commission, after an investigation, prescribe, pursuant to its authority under section 216(e) of the Interstate Commerce Act, the detention rule, set forth in the appendix hereto,¹ for application by all common carriers by motor, operating in the aforesaid territories, and grant petitioner such other and further relief as it deems meet in the premises.

A further request is that the Commission cause to be published in the FEDERAL REGISTER, pursuant to section 4(a) of the Administrative Procedure Act, notice of (a) the filing of the petition, (b) the order of investigation and the time and place of proceedings thereon, (c) the proposed rule, and (d) name as respondents in said investigation the approximately 1,825 common carriers by motor listed in an appendix to the petition, who are the majority of such carriers operating in Middle Atlantic Territory and between that territory and New England Territory.

The petitioner believes the proposed rule to be reasonable, workable and enforceable and is prepared to proceed to carry the burden of proving this as well as proving the need for the prescription of a general rule.

The petitioner points out that it has the support of the Eastern Industrial Traffic League, Inc., which urges that the Commission set this matter for investigation and public hearing, and upon the conclusion of those hearings take such action as the Commission deems necessary.

Any person or persons desiring to participate in this matter may file representations supporting or opposing the relief sought by September 16, 1960.

By the Commission.

[SEAL]

HAROLD D. McCoy,
Secretary.

[F.R. Doc. 60-7486; Filed, Aug. 10, 1960;
8:48 a.m.]

FOURTH SECTION APPLICATIONS FOR RELIEF

AUGUST 8, 1960.

Protests to the granting of an application must be prepared in accordance with Rule 40 of the general rules of practice (49 CFR 1.40) and filed within 15 days from the date of publication of this notice in the FEDERAL REGISTER.

LONG-AND-SHORT HAUL

FSA No. 36470: *Phosphate rock—Idaho and Wyoming to WTL territory.* Filed by Western Trunk Line Committee, Agent (No. A-2138), for interested rail carriers. Rates on phosphate rock, in carloads, as described in the application, from specified points in Idaho and Wyoming, to points in western trunk-line territory.

¹ Filed as part of original document.

Grounds for relief: Short-line distance formula and grouping.

Tariff: Supplement 137 to Western Trunk Line Committee tariff I.C.C. A-4123.

FSA No. 36471: *Alcohols—Louisiana points to St. Louis, Mo.* Filed by O. W. South, Jr., Agent (SFA No. A-4003), for interested rail carriers. Rates on alcohols, in carloads, as described in the application, from New Orleans, Baton Rouge and North Baton Rouge, La., to St. Louis, Mo.

Grounds for relief: Barge competition. Tariff: Supplement 260 to Southern Freight Association tariff I.C.C. 400 (Marque series).

By the Commission.

[SEAL] HAROLD D. MCCOY,
Secretary.

[F.R. Doc. 60-7486; Filed, Aug. 10, 1960; 8:48 a.m.]

OFFICE OF CIVIL AND DEFENSE MOBILIZATION

JAMES F. BROWNLEE

Appointee's Statement of Business Interests

The following statement lists the names of concerns required by subsection 710(b) (6) of the Defense Production Act of 1950, as amended.

July 1, 1960, purchased 200 shares White Stag Mfg. Co.

This amends statement published March 8, 1960 (25 F.R. 2000).

Dated: August 1, 1960.

JAMES F. BROWNLEE.

[F.R. Doc. 60-7454; Filed, Aug. 10, 1960; 8:45 a.m.]

PETER HENLE

Appointee's Statement of Business Interests

The following statement lists the names of concerns required by subsection 710(b) (6) of the Defense Production Act of 1950, as amended.

Additions:

American Telephone & Telegraph.
Chase Manhattan Bank.
Montana Power.
Owens-Illinois Glass.
Procter & Gamble.
Scott Paper Co.
Sears Roebuck.
Smith Kline and French.
Standard Brands.
Union Carbide.
U.S. Steel.
U.S. Playing Card.

This amends statement published February 16, 1960 (25 F.R. 1388).

Dated: August 1, 1960.

PETER HENLE.

[F.R. Doc. 60-7455; Filed, Aug. 10, 1960; 8:45 a.m.]

No. 156—7

JOSEPH KEENAN

Appointee's Statement of Business Interests

The following statement lists the names of concerns required by subsection 710(b) (6) of the Defense Production Act of 1950, as amended.

Bought: Valspar.

This amends statement published March 8, 1960 (25 F.R. 2000).

Dated: August 1, 1960.

JOSEPH KEENAN.

[F.R. Doc. 60-7456; Filed, Aug. 10, 1960; 8:45 a.m.]

GEORGE R. LESAUVAGE

Appointee's Statement of Business Interests

The following statement lists the names of concerns required by subsection 710(b) (6) of the Defense Production Act of 1950, as amended.

No change from previous statement, published March 17, 1960 (25 F.R. 2244).

Dated: August 1, 1960.

GEORGE R. LESAUVAGE.

[F.R. Doc. 60-7457; Filed, Aug. 10, 1960; 8:45 a.m.]

RUSSELL C. MCCARTHY

Appointee's Statement of Business Interests

The following statement lists the names of concerns required by subsection 710(b) (6) of the Defense Production Act of 1950, as amended.

Same as previously listed with following changes:

Delete from original list:
Western Natural Gas.
Gerber Products.
Monsanto Chemical.
Grollier Inc.
Riley Stoker.
Colonial Energy.
Electronics Investment.
Add to list:
Standard Oil of New Jersey.
Food Fair Stores.
Union Carbide.
Rochester Gas & Electric.

This amends statement published February 16, 1960 (25 F.R. 1388).

Dated: August 1, 1960.

RUSSELL C. MCCARTHY.

[F.R. Doc. 60-7458; Filed, Aug. 10, 1960; 8:45 a.m.]

PHILIP N. POWERS

Appointee's Statement of Business Interests

The following statement lists the names of concerns required by subsection 710(b) (6) of the Defense Production Act of 1950, as amended.

Delete: Internuclear Company.
Addition: Petrolite Corporation.

This amends statement published March 9, 1960 (25 F.R. 2036).

Dated: August 1, 1960.

Dr. PHILIP N. POWERS.

[F.R. Doc. 60-7459; Filed, Aug. 10, 1960; 8:45 a.m.]

E. D. REEVES

Appointee's Statement of Business Interests

The following statement lists the names of concerns required by subsection 710(b) (6) of the Defense Production Act of 1950, as amended.

No changes since last submission of statement, published February 18, 1960 (25 F.R. 1471).

Dated: August 1, 1960.

E. D. REEVES.

[F.R. Doc. 60-7460; Filed, Aug. 10, 1960; 8:45 a.m.]

STANLEY RUTTENBERG

Appointee's Statement of Business Interests

The following statement lists the names of concerns required by subsection 710(b) (6) of the Defense Production Act of 1950, as amended.

No changes since last submission of statement, published March 1, 1960 (25 F.R. 1812).

Dated: August 1, 1960.

STANLEY RUTTENBERG.

[F.R. Doc. 60-7461; Filed, Aug. 10, 1960; 8:45 a.m.]

JOHN E. WARREN

Appointee's Statement of Business Interests

The following statement lists the names of concerns required by subsection 710(b) (6) of the Defense Production Act of 1950, as amended.

Additions: Pepsi Cola, Plymouth Oil Co.
Deletions: Union Carbide Corporation.

This amends statement published March 1, 1960 (25 F.R. 1812).

Dated: August 1, 1960.

JOHN E. WARREN.

[F.R. Doc. 60-7462; Filed, Aug. 10, 1960; 8:45 a.m.]

WILLIAM WEBSTER

Appointee's Statement of Business Interests

The following statement lists the names of concerns required by subsection 710(b) (6) of the Defense Production Act of 1950, as amended.

Add: Rescon Electronics Corp. (investment).

Delete: The Rand Corporation—Trustee; The Narragansett Electric Co.—President (still a director).

This amends statement published February 18, 1960 (25 F.R. 1471).

Dated: August 1, 1960.

DR. WILLIAM WEBSTER.

[F.R. Doc. 60-7463; Filed, Aug. 10, 1960;
8:45 a.m.]

R. CARTER WELLFORD

Appointee's Statement of Business Interests

The following statement lists the names of concerns required by subsection 710(b)(6) of the Defense Production Act of 1950, as amended.

No change since last submission of statement, published February 16, 1960 (25 F.R. 1388).

Dated: August 1, 1960.

R. CARTER WELLFORD.

[F.R. Doc. 60-7464; Filed, Aug. 10, 1960;
8:45 a.m.]

DEPARTMENT OF COMMERCE

Office of the Secretary

LOUIS A. SCHLUETER

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER during the last six months.

A. Deletions: No.
B. Additions: No.

This statement is made as of August 1, 1960.

LOUIS A. SCHLUETER.

AUGUST 1, 1960.

[F.R. Doc. 60-7480; Filed, Aug. 10, 1960;
8:47 a.m.]

MICHAEL SUISMAN

Statement of Changes in Financial Interests

In accordance with the requirements of section 710(b)(6) of the Defense Production Act of 1950, as amended, and Executive Order 10647 of November 28, 1955, the following changes have taken place in my financial interests as reported in the FEDERAL REGISTER during the last six months.

A. Deletions: Edsam Metals, Inc.
B. Additions: Connecticut Life, Shoreham Motor Hotel.

This statement is made as of August 1, 1960.

MICHAEL SUISMAN.

AUGUST 1, 1960.

[F.R. Doc. 60-7481; Filed, Aug. 10, 1960;
8:47 a.m.]

CUMULATIVE CODIFICATION GUIDE—AUGUST

The following numerical guide is a list of the parts of each title of the Code of Federal Regulations affected by documents published to date during August.

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